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SOURCES REPORT STEADFASTNESS FRONT FOREIGN MINISTERS TO MEET

JN2410l0Y Amman AR-RA'Y in Arabic 24 Aug 78 pp 1, 12 JN

[Excerpts] Damascus--AR-RA'Y--Reliable Syrian sources stated here yesterday that it has been officially decided to hold an urgent meeting of the foreign ministers of the countries of the steadfastness front within the next few days. The sources added that the aim of the meeting, which will most likely take place in Damascus, is to study the current situation in light of recent events, that is, the effect on the Middle East conflict of the recent visit of U.S. Secretary of State Cyrus Vance to the area and the agreement to hold the Camp David conference.

The Syrian sources added that the foreign ministers of the countries of the steadfastness front will discuss these matters comprehensively and objectively and will later take the appropriate measures to confront this new situation.

In another development, these sources added that the confrontation and steadfastness front will not attend any Arab summit conference at present, as long as Egyptian President as-Sadat maintains his current stand on the Middle East issue and insists on continuing his contacts with the Israeli leaders, or if he signs a separate agreement with Israel.

PLO, FATAH WARNED AGAINST ATTACKS ON IRAQI MISSIONS

TA2416l4Y Paris AFP in English 1640 GMT 24 Aug 78 TA

[Text] Karachi, Aug 24 (AFP)--Iraq has warned the Palestine Liberation Organisation and the Fatah movement against continuing attacks on Iraqi diplomatic missions in different parts of the world. The warning was given in a statement today to AGENCE FRANCE PRESSE by the Iraqi consul-general in Karachi, 'Amir Naji Zayn ad-Din, who was the target of an attack by two Arab gunmen, one of whom was killed, on Aug 2. The statement, on behalf of Iraq's Arab Ba'th Socialist Party leadership, called on all Palestinians to put an end to acts of vengeance. It accused the Palestinian "rightist factions" of becoming an instrument of the "imperialists and Zionists."

The statement welcomed the idea of dialogue with the group which attacked the Iraqi embassies in London and Paris, and the Iraqi consulate-general in Karachi earlier this month.

"These crimes are decisive evidence of the close relations between that group and the Syrian renegade regime, As-Sadat's regime and all the reactionary, Zionist and imperialist circles with whom 'Arafat is holding secret and open contact," the statement added.

The Iraqi consul-general today gave a donation of 15,000 rupees (1,500 dollars) to the family of Pakistani policeman Muhammad Qasim, who died from injuries he received while on guard duty at the time of the attack on the Iraqi consulate.

DAMASCUS: 'ARAFAT SAYS IRAQ, ISRAEL SEEK DESTRUCTION OF PLO

JN250715Y Damascus Domestic Service in Arabic 0515 GMT 25 Aug 78 JN

[Text] Beirut--Yasir 'Arafat, chairman of the PLO Executive Committee, yesterday vehemently attacked the killers' regime in Baghdad and accused it of seeking to eliminate the Palestinian revolution. In a speech he made in Beirut yesterday, 'Arafat said that the Zionist Knesset has adopted decisions to annihilate the PLO and that Menahem Begin is implementing part of this decision, while the At-Tikriti regime in Baghdad is implementing the other part.

VOP: IRAQI INTELLIGENCE CHIEF POISONED WADI' HADDAD

JN241750Y Voice of Palestine [Clandestine] in Arabic to Arab World 1615 GMT 24 Aug 78 JN

[Text] Well-informed sources connected with martyr Wadi' Haddad have disclosed that the late struggler died not from leukemia, as was announced at the time, but from poisoned food which the martyr ate during a dinner with Iraqi intelligence director Sa'dun Shakir.

These sources assert that the medical report prepared by the German doctors who treated Dr Haddad did not diagnose cancer in the late martyr, and the autopsy report proved that Dr Haddad died of a poison which spread very slowly throughout his body. The sources added that martyr Haddad began to feel pain later on the night he had dinner with Sa'dun Shakir. The pain increased so much that it was necessary for Dr Haddad to leave for Algeria for treatment.

These sources said relations between Dr Haddad and the Iraqi authorities had recently reached a critical point because the Iraqis insisted on imposing their control over Dr Haddad's organization, which forms the so-called "foreign arena." Another reason for the tense relations between the two sides was that the Iraqi authorities tried to limit the kind of operation and the movements of Dr Haddad's organization. The ruling authorities in Baghdad demanded that Dr Haddad inform them in advance of any operation he planned. Iraqi intelligence wanted to bring the Abu Nidal group into the open and provide it with different facilities and supplies. Obviously, Iraqi intelligence dominates this lackey group and wanted it to confront Dr Haddad's organization. Iraqi intelligence also tried to force Dr Haddad to cooperate with the Iraqi regime and carry out its plans.

VOP VIEWS HUSAYN POLICY TOWARD PALESTINIANS

JN242051Y Voice of Palestine [Clandestine] in Arabic to Arab World 1615 GMT 24 Aug 78 JN

[Unattributed commentary]

[Excerpts] A new face has appeared among Jordanian politicians. The new politician is Dr 'Abd ar-Ra'uf ar-Rawabidah, minister of health. The name of Ar-Rawabidah, whether as a person or politician, might not attract much attention, for, as is well known, politicians in Jordan appear and disappear in accord with the ever-changing interests of the Hashemite throne. The role of Jordanian politicians derives from the will and desire of the royal regime. Jordanian politicians end their political role by being graciously disposed of in an honorary post as a notable or an adviser. However, Ar-Rawabidah yesterday made a statement the importance of which we cannot diminish.

Ar-Rawabidah said that Jordan's participation in the current talks between As-Sadat and Begin requires Arab approval, because this participation is connected with the decisions of the Arab summit in Rabat. He asserted that although Jordan is eager to continue a dialog with the Palestinian resistance, it still rejects any Palestinian armed presence on its territory.

The importance of this statement has two aspects: First, the statement confirms the connection between Jordan's stand and the current talks between As-Sadat and Israel, and second, the statement reveals the reality of the Jordanian position on the decisions of the Arab summit in Rabat.

According to the statement, Jordan does not object to taking part in the Egyptian-Israel talks; the only element which delays Jordanian participation in these talks is, of course, Israeli intentions, which have not yet included a Jordanian role in the talks.

King Husayn has made it clear that any future step in this direction is tied to the outcome of the coming Camp David summit.

The Jordanian condition for participation in the talks, as announced by Ar-Rawabidah, is not directed at the usurping enemy; on the contrary, it is directed at the Arabs. The king realizes his value to the Israelis and Americans in their attempt to deny the rights of the Palestinian people. The King, through his minister Ar-Rawabidah, is seeking an Arab cover in order to disavow the decision of the Arab Rabat summit, the decision which recognizes the PLO as the sole representative of the Palestinian people.

The king is famous for his cautious calculations. Thus, the king's new plan depends on specific assessments of an Arab retreat and an American domination over many sides in the area. In other words, the king's idea is that any future summit must differ from the Rabat summit held several years ago. The king expects the Arabs to make a decision which will supersede the Rabat decision, whether or not this new decision is made through an Arab summit.

According to Ar-Rawabidah, Jordan is eager to continue the dialog with the Palestinian resistance. Yet, at the same time, it rejects the armed presence of the Palestinians on Jordanian territory. We wonder why we should continue this dialog and what its purpose is. The king's regime, according to this idea, is trying to preserve the results of the Black September fighting and the battles of Jerash in 1971. These results prevented the Palestinians living on the east bank of the Jordan from taking part in the armed struggle of the Palestinian revolutionaries. In this connection, the king still insists on a disavowal of the decision of the Rabat summit that the Palestinian resistance must regain its position in the Jordanian arena.

Despite all this, the Jordanian regime still wishes to continue the dialog. This means that the Jordanian regime insists on maintaining a facade which will enable it to serve its interests and the interests of its overlords, the imperialists. The Jordanian regime is eager to continue the dialog with the Palestinian resistance in order to maintain a good impression and gain some kind of legitimacy for its moves.

The most important thing for us is to reveal to the world these Jordanian stands and the royal demands, because for a long time they have been kept secret, as official policy. This is not new; Jordanian policy always tries to contain the Palestinian issue. The importance of the statement made by Ar-Rawabidah is its clarity and straightforwardness. We watch for indications of the Israeli intentions and the Arab intentions. Meanwhile, the Palestinian revolution should be more cautious about the stands and moves of the Hashemite regime. The plan of the Palestinian revolution should be more comprehensive and deep rooted.

PARIS JOURNAL INTERVIEWS BETHLEHEM MAYOR ILYAS FRAYJ

LD2411l4Y Paris AN-NAHAR AL-'ARABI WA AD-DUWALI 19 Aug 78 p 6 LD

[Undated interview granted by Bethlehem Mayor Ilyas Frayj to AN-NAHAR AL-'ARABI WA AD-DUWALI correspondent Shawqi ar-Rayyis in Madrid]

[Excerpts] Ilyas Frayj, mayor of Bethlehem and one of the moderate Palestinian personalities known for their support for the proposed federal union between the West Bank and Jordan, has been visiting a number of European and U.S. cities at the invitation of their respective governments in order to acquaint officials there with the conditions of the Arab inhabitants under Israeli occupation in the West Bank and the Gaza Strip, who, according to Mr Frayj, are complaining of neglect by Arab governments and suffering from poor social and economic conditions that sometimes drive them to despair verging on explosiong. [paragraph continues]

AN-NAHAR AL-'ARABI WA AD-DUWALI met with Mr Frayj in Madrid, which he is visiting at the invitation of the Spanish Foreign Ministry, and had the following dialog with him.

Question: Who initiated these invitations to you and what countries did you visit?

Answer: The first to extend an invitation to me was Austrian Chancellor Bruno Kreisky. The other invitations were extended as a result of diplomatic coordination and contacts by the Austrian Foreign Ministry with some of the European and American countries. So far, my visit has included Romania, Austria, Britain, the United States and Spain.

Question: What is your impression regarding the concern shown by the officials you have met toward the Palestinian problem and the conditions of the Arab inhabitants of the West Bank and the Gaza Strip?

Answer: The officials I have met are primarily concerned with finding a solution to the Middle East problem, despite all the difficulties being encountered. The condition of the Arab inhabitants of the West Bank and the Gaza strip is not among their main concerns in this matter.

Chancellor Bruno Kreisky, with whom I met for 2 hours in Vienna, seemed most enthusiastic about reaching a solution to the problem. I discovered that he is widely knowledgeable and aware of every single detail. He assured me that he supports Israeli withdrawal from Arab territories, though he does not say all the territories. He also supports a 5-year transitional period under UN supervision, to be followed by a referendum on self-determination.

Question: What did Kreisky tell you about the attitude of the Israeli opposition, some of whose members he recently met in Vienna?

Answer: Kreisky believes that it is impossible to reach an agreement as long as Begin is the head of the Israeli Government. He is optimistic, however, about the possibility of reaching positive results between the Arabs and an Israeli Labor government headed by Peres, whom he described as the most flexible Israeli leader as far as the Arab-Israeli conflict is concerned.

Question: Does Kreisky expect Begin's government to last long?

Answer: He says that Begin has 3 or 4 months left.

Question: On what basis does Kreisky say so?

Answer: It appears that he has detailed medical reports on Begin's health and reports that say Begin cannot live more than 3 or 4 months.

Question: Do you believe that the disappearance of Begin will change the situation?

Answer: I do not agree with Kreisky on this point, because the majority of the Israeli people support his policy at present. The majority of the Israeli parliament supports Begin's hardline policy. Meanwhile, Arab views on the problem are divided and differ from one another. More than 70 percent of the Israeli people oppose withdrawal from the occupied Arab territories.

Question: Kreisky has close ties with As-Sadat and is closely following his peace initiative. What did he tell you about As-Sadat and his initiative?

Answer: I would prefer not to discuss this matter. These were private talks held with the head of state, which it would be inappropriate to disclose.

Question: Did Kreisky show optimism about As-Sadat's initiative?

Answer: I believe that he is optimistic, or rather was optimistic when I met him. Personally, I disagree with his optimism.

Question: What was the attitude of officials in Romania?

Answer: The Romanian stand is very clear. They support total Israeli withdrawal from the occupied Arab territories, giving the Palestinian people the right to self-determination and solving the problem in accordance with the UN resolutions. Both Ceausescu and Kreisky are very active in seeking a solution to the problem. They are the only two men in Europe who are exerting active efforts in this regard. Both are trying to conduct negotiations in which the Palestinians will take part through the PLO.

Question: What did you hear from officials in the United States?

Answer: In the United States I met with national security adviser Brzezinski and senior State Department officials. I also met with about 50 Senate members, including the chairman of the Foreign Relations Committee. The Americans have a complex about "Israeli security." For, despite Israel's tremendous military strength, they still insist that the West Bank and the Gaza Strip pose a danger to Israeli safety and security. I told them that what the inhabitants of the West Bank and the Gaza Strip want is the establishment of a Palestinian state or a Palestinian entity and the return of the Palestinians to their land. I told them that after such a stage, federation with Jordan will be inevitable--it will be an inevitable necessity. If a referendum on this matter is held, the great majority would support a federal union with Jordan after the transitional stage. I believe that such a federation is necessary economically, politically and for security reasons.

Question: Reports speak of activities by certain moderate Palestinian personalities inside and outside the occupied Arab territories to revive the idea of a federation with Jordan after the transitional period. They act on the basis that Jordan is currently in a very strong position both at home and abroad and that the Palestinians' federation with Jordan would be the best and perhaps the only solution for them at present, especially if we take into consideration that the Arabs are incapable of imposing a solution on Israel and are neglecting the conditions of the inhabitants of the occupied territories.

Answer: I have no information on this subject.

Question: According to information available to us from knowledgeable and reliable sources, you are one of those involved in such activities.

Answer: It would be better to leave this subject aside. Please stick to the subject of my visit.

Question: Let us talk about the situation of the Arab inhabitants in the West Bank.

Answer: It is no secret that we are on the verge of despair. Our sufferings have reached such serious proportions that an explosion is likely any moment. Had there not been Arab inhabitants in the West Bank and the Gaza Strip, there would not have been a Palestinian problem. Israel has been able to occupy the land but it could not empty it of its inhabitants. [paragraph continues]

The presence of 1.1 million Arabs in the West Bank and Gaza Strip will force Israel to find a solution to this problem. But we--and I wish to stress this point--are suffering from the neglect of the Arab governments. We no longer believe what they say; we no longer believe in promises, especially after Israel's march on southern Lebanon. I blame the Arab governments which do not give us assistance to stand fast in our land, while we are forced to resort to foreign aid. Some 50 or 60 million Jordanian dinars annually would be sufficient for us. We proposed to a number of the Arab countries the establishment of a development and aid fund for the inhabitants of the West Bank and the Gaza Strip. I have spoken about this subject to officials in Kuwait and the gulf states and addressed messages to Saudi Arabia and other Arab governments, but we got no response.

This is a vital matter for us, which I hope the Arab rulers will take seriously.

Question: Egyptian Prime Minister Husni Mubarak [as published] told AN-NAHAR AL-'ARABI WA AD-DUWALI 2 weeks ago that if Israel gives up its hardline stand, Jordan will participate in the peace talks. Do you believe that Jordan's participation will change much in the situation?

Answer: Absolutely not. The Arabs are wrong. It is not a question of Begin or Begin's hard line. The problem is that Israel does not wish to withdraw from the occupied territories. I do not believe Jordan will ever take part in the negotiations, because it is more aware of the facts of the case than any other Arab state. Jordan's stand was the cleverest and wisest of all.

ARAB LEAGUE'S RIYAD COMMENTS ON COUNCIL MEETING

NC240659Y Cairo Domestic Service in Arabic 0600 GMT 24 Aug 78 NC

[Text] Arab League Secretary General Mahmud Riyad has said that the ordinary session of the league council will be held at the foreign ministers' level on 12 September. Mahmud Riyad said that the venue of the conference will be fixed in the next few days. He revealed that eight Arab states have so far agreed to convening the council in Khartoum.

In a statement made on his return from a recent tour of some Arab countries, Riyad said that the PDRY has agreed to attend the council meeting in Khartoum provided the agenda includes the discussion of the resolutions adopted against it at the extraordinary session of the Arab League Council. He added that the meeting will be held in Khartoum if 12 member states agreed. Otherwise, the council will meet at the league's Secretariat General headquarters.

Mahmud Riyad toured Saudi Arabia, Kuwait, Jordan, the UAE, North Yemen, Sudan, Syria and Iraq.

FATAH OFFICIAL RECEIVES PRC, DPRK ENVOYS IN DAMASCUS

JN231638Y Voice of Palestine [Clandestine] in Arabic to Arab World 1600 GMT 23 Aug 78 JN

[Text] At noon yesterday brother Abu Mahir, member of the Fatah Central Committee, separately received the PRC and DPRK ambassadors in Damascus. Our radio correspondent has learned that the meetings with the two ambassadors dealt with the latest Arab and international developments.

SAUDI ARABIA

CROWN PRINCE FAHD GRANTS INTERVIEW TO TOKYO SHIMBUN

NC2417000Y Doha QNA in Arabic 1312 GMT 24 Aug 78 NC

[Text] Jidda, 24 August--The Saudi crown prince and deputy prime minister, His Highness Prince Fahd ibn 'Abd al-'Aziz, has stressed that the situation in the Middle East continues to be grave despite all efforts to establish peace. He said that the Arabs have offered all they can and have been very patient in the attempt to convince Israel that the time has come to establish peace based on justice.

In an interview published today by the Japanese paper TOKYO SHIMBUN and the Saudi paper AL-MADINAH AL-MUNAWARRAH, his highness says that Israel continues to bolster its war effort and is not concerned about the question of development because it finds others to take care of this on its behalf. His highness affirms that Israel wants the land and the security but that the Arabs, international law and all states reject this.

His Highness Prince Fahd adds that the Middle East peace efforts have reached the point of stagnation because of Israel's refusal to withdraw from the occupied Arab territories and to recognize the legitimate rights of the Palestirian people to establish their national homeland.

His Highness Prince Fahd ibn 'Abd al-'Aziz goes on to say that the winning over of a unified world public opinion will compel Israel to abide by UN Security Council Resolution 242 and convince it that keeping the land and peace is impossible. Referring to the importance of the U.S. role in this regard, on the basis that it is a great power which has friendly relations with the Arabs and Israel, his highness says: We do not ask the United States to side with us or against us. We only demand that it stand on the side of justice.

Referring to the responsibility of the European [as received] states in settling the Middle East dispute, his highness says: Egyptian President Anwar as-Sadat undertook his peace initiative on his own volition. He has done all he can so far.

Regarding Arab solidarity, his highness the prince stresses that the Saudi Kingdom will spare no efforts to bolster the efforts to achieve solidarity and unity of ranks. He says: The kingdom has supported the holding of an Arab summit, whether a minisummit or a comprehensive one. It has also supported the efforts of Sudanese President Ja'far Numayri, the chairman of the Arab Solidarity Committee, in this regard.

In his interview, His Highness Prince Fahd ibn 'Abd al-'Aziz denies the outbreak of a crisis in Saudi-U.S. relations over the two countries' position on a solution to the Middle East problem. He says that the U.S. Government and public opinion understand the justice of the Arab cause.

His highness expresses hope that Washington will step up its efforts to persuade Israel to recognize the Arab rights and not throw away the opportunity for peace. His Highness Prince Fahd reaffirms that the Kingdom of Saudi Arabia will not [as received] use petroleum as a means for pressure in the event of a war in the Middle East.

Regarding the kingdom's participation in the event of fighting in the Middle East, his highness says that his country is committed to the resolutions of the Arab League and the Arab summit conferences and that it shares with the Arabs in their joys and afflictions.

Regarding the dollar crisis, the Saudi crown prince says that a solution to this crisis lies in strengthening the dollar. He also says that the rate of petroleum production in the kingdom is determined on the basis of the law of supply and demand.

Referring to Saudi-Japanese relations, His Highness Prince Fahd asserts that these relations are constantly growing. He says that the kingdom needs Japanese technological expertise. He also affirms that the kingdom will not impose conditions or restrictions on petroleum supplies to Japan.

Interview to Kuwaiti AS-SIYASAH

LD2418311Y Kuwait AS-SIYASAH in Arabic 23 Aug 78 pp 1, 14 LD

[Interview granted by Saudi Deputy Prime Minister Crown Prince Fahd ibn 'Abd al-'Aziz to AS-SIYASAH Chief Editor Ahmad al-Jarallah at a Ramadan banquet in At-Ta'if, presumably on 22 August]

[Text] I said to Prince Fahd: Following Your Highness' visit to Egypt, Syria, and Iraq, the public impression was that a summit conference was imminent and that President as-Sadat's initiative was about to be declared a failure. However, everyone was surprised by your recent statements in support of the Camp David summit.

Answer: We have supported the Camp David summit with the aim of bolstering optimism and raising hopes. When we expressed such support there was evidence that this summit would be the decisive and final meeting; the story will either end in the interest of peace or the door will be closed finally.

The Arabs have given much and have been extremely flexible. The time has come for the other side to give. We believe that it is now up to the United States to be firm and decisive. We, the Arabs, have nothing more to give. Therefore, the Camp David meeting in my opinion will be the decisive meeting, either positively or negatively. Consequently, in accordance with this view, we have supported the tripartite summit.

Question: What about the Arab summit? Have you discussed this question and have you fixed a specific date for it?

Answer: There is no doubt that in the Arab world we are suffering from division and that we are in a very bad situation. We are in need of understanding and of a real and effective meeting. On the other hand, we believe that an Arab summit conference is not an end in itself--that is, unless it is preceded by real and comprehensive coordination so that all the parties will come to the conference with confidence in a prior agreement and assured that the meeting is no more than a formal occasion to endorse what has been agreed upon. But if a summit conference is held in a hurry then each party will come to it with its own different views, zeal, and dogmas--in which case the result will be nil. We want a summit conference and we are striving for it because we need it badly. But this presupposes that a summit should be preceded by thorough coordination.

Question: What is Your Highness' opinion on the events in Iran?

Answer: What I know is that an incident like that of the cinema in Abadan is tragic and very painful. Of course, we do not interfere in the domestic affairs of any country, but Iran is very important for the whole area and its stability is important. This is what we want.

Question: Your Highness, what about oil and the dollar? Would you accept the basket of currencies that is now being discussed by the oil countries in order to face the dollar crisis and compensate for the losses that might result from the drop of any international currency?

Answer: We have rejected substituting a basket of currencies for the dollar and we will not accept it. The question of a basket of currencies is very complicated and needs a very long study. We are not now ready to accept such a proposal. We believe that the dollar is the important currency. According to my information, I am sure that by the end of this year the dollar will regain its previous position. In the final analysis it is the largest and most powerful currency in international investments. Moreover, if we were to accept a basket of currencies then our dollar revenues and investments would be affected, something which we, as the country with the highest oil production, want to avoid. We also do not wish any other country to be harmed by it.

Prince Fahd added: In the case of such an extremely important subject, the decision must be well studied. The situation does not tolerate wavering or haphazard decisions.

Question: Then, Your Highness, will you resort to increasing oil prices?

Answer: This is a different matter. We begin talking about it by stressing that when we increase prices we do not do so with pleasure but because we are forced to it. This is what all the Western countries should know. When we increased the prices in the past it was in order to make oil prices compatible with the prices of manufactured and consumer goods which had already increased at an awesome rate. As long as world conumser goods maintain their prices without any clear inflation, then we will not consider increasing the oil prices. Consequently, any increases in oil prices will not take place except under abnormal conditions.

Question: Your Highness, what is the story of cutting down on local expenditures, which has now affected many utilities?

Answer: Two years ago our governmental expenditures were extremely high, which led to increasing the inflation rate to 28 percent. We found that it is in the interest of the national economy that the government should follow a policy of cutting down expenditures as a means of dealing with high inflation. Indeed, we have brought down the inflation rate to 7 percent. We have consulted some international experts who commended the government's policy in this regard. In the past we used to put forward projects all at once, but now we put forward the important projects gradually. In any case, Saudi national wealth is available and is growing, whether in the hands of individuals or the government.

Question: Will such cutting down on expenditures continue and for how long?

Answer: It will continue as long as there is need for it. Afterward everything will go back to normal.

DEFENSE MINISTER INTERVIEWED BY KUWAITI AS-SIYASAH

JN241145Y Manama GULF NEWS AGENCY in Arabic 0900 GMT 24 Aug 78 JN

[Text] Kuwait, 24 August--In an interview with the Kuwaiti AS-SIYASAH published today, Prince Sultan ibn 'Abd al-'Aziz, Saudi Arabia's defense and aviation minister, has accused world communism and the international left of fomenting the riots in Iran. He said he believes that the situation there does not constitute a threat to the area as long as the army is not participating in the creation of these events. Prince Sultan stressed the importance of stability in Iran. He added that any basic disruption is bound to affect the security situation in the entire area.

On another topic, the Saudi prince denied what has been reported about U.S. intentions to raise the prices of weapons sold to Saudi Arabia and Egypt. He accused Zionism and communism of propagating rumors about commissions and arms deals.

He also denied reports spread by Western information media about differences among Saudi princes. He added that such news items represent a cheap intrigue and are groundless. He also denied any opposition to the regime within the army in other sectors. He said that no events have taken place in the country which would disturb the internal situation and which could be considered seriously harmful to the country's security and stability.

The Saudi prince said that recent events in Aden constitute a threat to the entire area. He reaffirmed his country's adherence to Arab League decisions and measures adopted against the PDRY.

The Saudi defense and aviation minister stated that Saudi Arabia's defense capabilities, as far as the area is concerned, depend on the external force against which Saudi Arabia will be defending itself. He amended this to say that Saudi Arabia's strategic position cannot be determined now because its evaluation depends on the party against which we shall be defending ourselves.

He concluded his statement by saying: Instead of seeking the help of others, Aden could have sought the help of its sister Arab countries, particularly as it is a matter of an important and sensitive area which we want to be free of conflict among foreign powers.

Further Remarks

LD241100Y Kuwait Domestic Service in Arabic 1000 GMT 24 Aug 78 LD

[Text] His Highness Sultan ibn 'Abd al-'Aziz, minister of defense and aviation of the Kingdom of Saudi Arabia, has stressed the importance of stability in Iran. He warned that any fundamental disturbance in the situation will upset the security balance in the whole region.

In an interview with AS-SIYASAH, cited today by the KUWAITI NEWS AGENCY, he accused international communism and the world left of organizing the acts of disorder now taking place in Iran. He said that these incidents arouse anxiety. But he added that he is confident that the shah of Iran will ride out the storm.

His highness described the recent events in Aden as constituting a danger to the whole region. He said that the Kingdom of Saudi Arabia is committed to the decisions and measures taken by the Arab League in confronting the PDRY. Sultan ibn 'Abd al-'Aziz reaffirmed that the Kingdom of Saudi Arabia will continue its war against communism and Zionism because it is convinced of its own attitude. He added that Aden could have sought the assistance of its sisters instead of asking for help from others, particularly in a sensitive and important region in which we do not want foreign powers to wage a conflict.

SOMALI MINISTER LEAVES FOR ABU DHABI

LD221356Y Riyadh SNA in Arabic 1212 GMT 22 Aug 78 LD

[Text] Jidda--Dr Abdurahman Nur Hersi, [Somali] President Barre's minister of finance, left Jidda at noon today for Abu Dhabi following a 4-day visit to the kingdom. During the visit, Dr Hersi had talks with officials of the Islamic Bank for Development on increasing cooperation between Somalia and the bank.

UAE

MINISTRIES' TELEPHONE SERVICES CUT, BILLS UNPAID

NC231229Y Doha QNA in Arabic 1205 GMT 23 Aug 78 NC

[Text] Abu Dhabi, 23 August--It was announced here today that the UAE Telecommunications Authority has cut off its telephone services to the ministries of [name indistinct], interior and health and the municipality of Al-'Ayn for failing to settle telephone bills overdue for several years.

A responsible source in the Telecommunications Authority explained that the telephone services were cut off 2 days ago. He pointed out that telephone services to other departments and establishments will be cut off if their telephone bills are not paid.

BRIEFS

YAR WATER, SEWAGE CORPORATION--San'a' 22 Aug--YAR President 'Ali 'Abdallah Salih has issued two presidential decrees establishing the water and sewerage corporation and appointing the chairman of the board for the corporation. [San'a' Domestic Service in Arabic 1200 GMT 22 Aug 78 JN]

FOREIGN MINISTER, U.S. AMBASSADOR MEET IN CAIRO

NC2416511Y Cairo Domestic Service in Arabic 1500 GMT 24 Aug 78 NC

[Text] Foreign Minister Muhammad Ibrahim Kamil this afternoon met with U.S. Ambassador in Cairo Hermann Elits within the context of Egypt's contacts to prepare for the Camp David meeting. The radio correspondent has learned that the U.S. ambassador will leave Cairo at the end of this month for the United States in order to prepare for the Camp David meeting.

The radio correspondent has also learned that U.S. President Carter will hold bilateral contacts with President Anwar as-Sadat and Menahem Begin prior to the joint meeting which will begin on 5 September. No specific agenda has yet been set for the meeting. However, the discussion will center on the Middle East situation and ways to settle all aspects of the issue.

CAIRO RADIO NAMES EGYPTIAN DELEGATION TO CAMP DAVID CONFERENCE

NC2419301 Cairo Domestic Service in Arabic 1830 GMT 24 Aug 78 NC

[Text] Following his meeting with the U.S. ambassador in Cairo today, Foreign Minister Muhammad Ibrahim Kamil stated that preparations for the Camp David meeting had been discussed during the meeting.

Kamil said: Egypt has a consistent strategy for peace in the Middle East, and during the Camp David meetings attention will be focused on the Palestine question and withdrawal.

Kamil said that at the beginning of next week, he will present to Anwar as-Sadat the studies and documents prepared by the Foreign Ministry on the stance of the Arab Republic of Egypt.

The radio correspondent has learned that the Egyptian delegation to the Camp David meetings, headed by President Muhammad Anwar as-Sadat, includes the following: Hasan at-Tuhami, deputy prime minister; Hasan Kamil, director of the presidential office; Muhammad Ibrahim Kamil, foreign minister; Dr Butrus Ghali, minister of state for foreign affairs; Dr Ashraf Churbal, Egyptian ambassador in Washington; Dr Usamah al-Baz, Foreign Ministry under secretary; Dr Nabil al-Arabi, director of the Foreign Ministry's Legal Affairs Department; and Ahmad Mahir, director of the foreign minister's office.

Document Review Underway

NC2507131 Cairo Domestic Service in Arabic 0600 GMT 25 Aug 78 NC

[Text] Minister of Foreign Affairs Muhammad Ibrahim Kamil has said that he is currently reviewing all documents and studies with his assistants in the ministry and that he will conclude this in the next 48 hours. Kamil said that Egypt has a clear stand and a general consistent strategy for peace, which President as-Sadat has affirmed on several occasions, most recently in his speech in Tala in Al-Minufiyah Governorate.

Well-informed sources have said that the Egyptian documents will define Egypt's stand regarding withdrawal and security, the nature of peace and the Palestine question. Egypt, the sources added, will officially convey this to the United States at the first session of discussions which will begin, according to an official U.S. source, with bilateral meetings between President Carter and President as-Sadat and between President Carter and Menahem Begin prior to the tripartite meeting.

Egypt has informed the United States that it is important that it adhere to the statements and official stands declared by President Carter's government in regard to the principles and bases of peace, and that it would not be enough to just present mediation proposals to reconcile the conflicting stands.

Foreign Minister Muhammad Ibrahim Kamil informed the U.S. ambassador in Cairo at a 90-minute meeting yesterday of the formation of the official Egyptian delegation to the summit conference led by President Anwar as-Sadat. An advance party of political advisers of the Egyptian delegation is expected to fly to the U.S. capital before the arrival of President as-Sadat.

COMMENTATOR SPECULATES ON U.S. PROPOSALS AT CAMP DAVID SUMMIT

NC241421Y Cairo Domestic Service in Arabic 1230 GMT 24 Aug 78 NC

[Muhammad Sharaf commentary: "Remarks on What Is Being Said About the U.S. Proposals To Be Made at Forthcoming Camp David Conference"]

[Text] With the date of the Camp David tripartite summit conference, which will include Egypt, the United States and Israel, drawing nearer, signs are increasing daily that the United States has in fact prepared proposals for presentation at the conference. The U.S. vice president has stated that Washington has no specific plan for solving the conflict in the Middle East, but it reserves the right to present proposals and ideas on this issue.

It does not take much to realize that the proposals the United States has prepared for submission, if necessary, during any stage of the Camp David discussions are centered on the main points of the conflict between Egypt and Israel. The most prominent of these points, as is known, are two:

1. The principle of an Israeli comprehensive withdrawal from the Arab territories occupied in 1967, particularly the West Bank of the Jordan River and the Gaza Strip. In regard to the Egyptian Sinai and the Syrian Golan Heights, the conflict over withdrawal from these is slight. It can be said that Israel has always raised the problem of withdrawal from these in discussions as a sort of bargaining ploy and in order to retain the strength of its position on the West Bank and the Gaza Strip.

2. The future of the Palestinian people and their rights to self-determination and to establish their independent state.

Needless to say, resolving these points depends on whether it is possible to agree on the principles of a comprehensive settlement of the conflict in the area. We must admit that interim or partial agreements and separate solutions which Egypt fully discards will further complicate the conflict without achieving anything for the desired goal: stability in the area under a just peace.

Noting the proposals or ideas the United States might present at the Camp David conference, there is no doubt that these proposals or ideas are centered on the points of conflict between the Egyptian and Israeli sides regarding the principles of a comprehensive withdrawal from the Arab territories and the future of the Palestinians. The U.S. stand on the principle of a comprehensive withdrawal from the occupied Arab territories is well known and declared. The United States supports the withdrawal, with minor changes, to the pre-June 1967 borders. It is almost certain that Washington might clarify at the Camp David conference what it means by minor border changes.

As regards the U.S. stand on the future of the Palestinians, it is shrouded with much ambiguity. U.S. President Carter has said that the United States supports the participation of Palestinians in determining their future. On the establishment of an independent Palestinian state, the United States has reservations in this respect and has not so far defined its stand in a decisive and definite way. In light of all this, all we can say in this context is that the talks at Camp David will be difficult, and nobody can predict the outcome of the conference.

U.S., EGYPT TO SIGN AGREEMENTS ON HOUSING PROJECT AID

LD241820Y Cairo AL-AHRAM in Arabic 22 Aug 78 p 1 LD

[Text] An AL-AHRAM correspondent has learned that Egypt and the United States will sign a number of agreements to the value of $300 million within the aid program before the end of next September. The signing of the agreement on a middle class housing project will take place before the end of August. The costs of the agreement, which is to the value of $160 million, will be shared equally between Egypt and the United States. Under this agreement, 1,200 housing units will be built annually for the next 5 years, providing housing for 35,000 people. The cost of a housing unit will range from $2,700 to $4,500. Under the agreement the United States will also provide $50 million this year and $30 million next year for the construction of nine new schools, a health unit, an open market, a social service and a post office for these housing units. The housing units and their services will be built in the town of Hulwan.

SALIM DELIVERS AS-SADAT MESSAGE TO AFRICAN CONFERENCE

NC241400Y Cairo MENA in Arabic 1140 GMT 24 Aug 78 NC

[Text] Cairo, 24 August--President Muhammad Anwar as-Sadat has emphasized that Egypt's sharing of Africa's pains and hopes is not a mere expression of sympathy with the continent but rather a comprehensive and full participation based on common history, geography, sufferings, interests, aspirations and fate.

Egypt, the president said, is prepared in all questions pertaining to the African Continent and responds to every call for help from any place on the continent.

In his message to the conference [the African conference on science and technology], which was delivered on his behalf by Prime Minister Mamduh Salim, the president said that the aim of the conference is to produce a harmonious unified African concept with which to go to the forthcoming world conference on science and technology, based on the experience of the African states in using science and technology.

President as-Sadat stressed that it is imperative for the world states to agree on a somewhat just approach to dealings and relations connected with the application, use, control and contribution of science and technology, so that the entire world contribution may be geared to serve the interests of the developing societies.

The following is the text of President Anwar as-Sadat's message to the conference:

In the name of God, ladies and gentlemen, heads and members of the delegations, representatives of the African Unionist Committee, the OAU, UN organizations, regional and international organizations, and representatives of the UN Committee on Science and Technology for Development; heads and members of the delegations attending this conference as observers and out of interest in the conference; esteemed ladies and gentlemen:

In the name of our people, government and myself, I have the pleasure to welcome you and to voice my profound happiness at opening the African regional conference in Cairo, in preparation for the UN conference on science and technology for development, scheduled to be held in Vienna next year--a conference the world is looking forward to.

There is no doubt that this coming world conference is a historic event of great importance. This is because it will be a dialog among nations on issues of comprehensive economic and social development for all mankind, and on the ideal means of effectively applying science and technology to enable the developing societies to rid themselves of the causes of backwardness and to progress, not only in order to serve the interests of their peoples but also to enable them to contribute to the progress of mankind, by utilizing their massive resources and their latent creative capabilities.

This meeting of yours, ladies and gentlemen, derives its great importance from the purpose for which it is being held; namely, to formulate a unified or harmonious African concept to take to the forthcoming world conference. This concept will contain your views regarding your experiences in the use of science and technology in the past and at present--including all positive and negative aspects--and will also contain what you intend to achieve with your own efforts in your own countries, and what you believe should be achieved through collective work within your regional African framework and in cooperation with all the other developing and advanced states in the world, as well as through the contributions of the UN organizations and the regional and international organizations.

The age in which we are living is characterized by personal, group and national anxieties and aspirations. The anxiety is caused by an increase in the interlinked problems being faced in the fields of economic and social development, particularly in the developing world. The aspiration is for solutions to these problems through the means available to us. These are the means of science and technology, which some nations possess and many others lack. The anxieties and aspirations are due to the scientific and technological achievements of the past 50 years. A minority of the world's people enjoy the fruits of these achievements, while the overwhelming majority continue to be deprived of these rewards. These achievements are the reasons for both progress and backwardness, prosperity and poverty. They have resulted in the present serious disparity among the world states and the wide gap between the industrial and advanced societies and the poor and developing societies in the world.

The achievements of modern science and technology are considered pointers and even forerunners to the achievements which will be realized in the next epoch and to the possible widening of this gap separating the peoples, their standards of living and ways of life. This is despite the fact that all these peoples constitute one human race living on the surface of a single spaceship.

It is a fact, ladies and gentlemen, that more than 95 percent of science and technology is developed through scientific research in the advanced countries, which represent no more than one-third of the world's population. It is also a fact that less than 5 percent of science and technology is developed in the developing countries, which represent about two-thirds of the world's population. At the same time, we find that a quarter of the world's populations is considered by all criteria to be in a state of extreme starvation and need, that another quarter of the world's population suffers from malnutrition and that two-thirds of the world's population live in societies which lack water resources. In contrast, a blatant fact is that 35 advanced states in the world are spending more than 80 percent of the world's total expenditure on weapons and weapons research, whereas 114 developing states spend no more than 20 percent of this total expenditure on weapons.

This, ladies and gentlemen, makes it incumbent on the states of the world to agree on a formula to rectify these statistics and to approach a state of affairs characterized by some justice in the dealings and relations connected with the application and use of science and technology. The formula should direct international science and technology toward the interests of the developing societies by cutting down on arms expenditure on the international level, particularly in the advanced states. This can only be achieved by generating a political determination among the peoples and governments to create the desired change within the framework of a new international economic system. It would be possible under such a system to tackle the unjust conditions in international relations and dealings. It would also be possible to agree on a code of conduct in dealings connected with the transfer of technology and to enable the advanced states, UN organs and the international organizations to contribute widely to decisive action for the welfare of all mankind and the interests of man, especially in the developing states. This is why hopes are pinned on the forthcoming UN conference and on the international action program, which must be brought into being. This is one reason why your meeting here is extremely important.

Dear brothers, you are meeting here to agree on an African position which you will express in an African working paper that will include practical recommendations. The paper will include what you recommend for implementation on the national level and on the level of the African Continent and what you will negotiate with the other developing states, the advanced states and international institutions. I wish to emphasize to you that Egypt will be prepared to abide by everything you agree should be implemented through cooperation among the African states. Our previous dealings confirm this determination and bear witness to this commitment.

Dear brothers, we have missed the age of steam and the age of electricity. We must not miss the age of nuclear power and the age of electronics. You must not allow this to happen because our continent represents approximately one-quarter of the area of the world and its soil contains a tremendous percentage of the natural resources. These resources must be used for its prosperity and to raise the standard of living of its sons.

Brothers and friends, Egypt's sharing of the pains and hopes of the African Continent is not based solely on its absolute belief that these pains and hopes are genuine; nor is it based on mere sympathy with the African Continent. This is a complete and total sharing dating back through our common history and based on our common geography, common sufferings, common interests and hopes, and our common destiny. This sharing of the pains and hopes of the African Continent makes Egypt interested in all the causes of this continent and makes it responsive to every cry from any place on the continent, despite the large area of this continent.

I spoke of these close ties at the 15th African summit conference held in the sisterly capital of Khartoum last month under the chairmanship of brother President Ja'far Numayri. In my speech, I affirmed that there are apparent, and even definitive, phenomena which require our understanding and solidarity if we are to confront them. The first of these phenomena is that of foreign interference in the continent's internal affairs. Overt imperialism has been removed from the majority of the continent's states, but we now find this imperialism surging back to us in new forms. We also find the foreign powers using our continent as an arena for their conflict without paying any attention to the true interests of the African peoples, who are preoccupied with combating the devastating challenges of the post-independence era. The most important of these challenges, without doubt, are the challenges of economic and social development. While we are in this state of affairs, we find out that this interference has created splits and conflicts between brothers and neighbors.

Even worse, we find that this interference is threatening to tighten the grip of foreign powers on parts of the continent and to cause polarization among its peoples. The greatest danger arising from this interference is the preoccupation of the peoples and their governments with conflicts which impair their efforts to achieve development and to catch up with contemporary science and technology. The timing and circumstances of this interference necessitate solidarity and integration among the peoples of the continent, a continent which has long suffered from coercion and oppression and which has long lagged behind the bandwagon of civilization known to the other countries of the world.

I say once again at this point that the problems of the African Continent are the concern of the peoples of the African Continent. This is so because we deeply believe that it is impossible for a true contradiction to exist between two African peoples, because their interests are identical. Egypt, for its part, announces that it does not see any insoluble conflicts between it and any fraternal African people. Egypt is fully prepared to solve any temporary differences which might occur between itself and any sisterly state. I find it the most logical thing in the world to say that it is imperative for us to face together--with an open mind and a big heart--the problems of economic and social development and to exchange expertise and experience instead of exhausting our funds, resources and efforts in peripheral battles and false conflicts. To do these things, I find no better means than modern science and technology. We must understand them and apply them in the interest of our peoples, who deserve a better future.

Dear brothers, it also behooves me to point out that we can no longer disregard the bitter realities surrounding the practice of racism in our continent. Nor can we disregard the fact that racist regimes are continuing to challenge our will. These racist regimes are still squandering the dignity of our brothers, whose circumstances have subjected them--in the course of the dark ages--to the worst forms of terrorism, suppression and exploitation through settlement colonialism. In its essence, settlement colonialism is based on exploiting the sons of a country, who own the land, and transforming them into a tool for serving exploitative and expansionist interests as well as on depriving them of the most rudimentary human rights.

It is painful for us to realize that half a decade has elapsed since the United Nations declared its 1973 covenant for combating apartheid. In this time no tangible progress has been achieved concerning the fate of our African brethren in South Africa, in Zimbabwe and in Rhodesia, where the racist regimes continue to pursue their arrogant policies and to challenge the UN resolutions, the human and ethical values and the rights of man on which all the peoples of the world agree.

Dear brothers, you are perhaps aware that Egypt--being fully aware of its historic responsibilities--has undertaken to extend all possible material and moral aid to these fraternal states. Indeed, it has equated this duty with the duty of liberating its occupied territory and regaining its usurped rights. We too, dear brothers, are suffering from the practices of expansion and racism in our land. We are still struggling to recover that land which was usurped from us and from the fraternal Arab peoples and which is adjacent to the borders of our continent. We also share the faith of the other peoples in the African Continent that the continuation of this oppressive practice is one of the biggest impediments to our progress in the process of the economic and social development of our peoples.

On this occasion, dear brothers, I wish to repeat what I said at the African summit conference in Khartoum to the effect that the Egyptian people and the entire Arab nation are greatly indebted to the fraternal African states. You, African brothers, have been and continue to be our best companions on the road of the exacting struggle, which is full of enormous burdens and great challenges. Your support for the Egyptian people in their struggle for peace is an extension of your great principled stand in the various stages of the struggle. We firmly believe, dear brothers, in the inevitability of the establishment of a just and durable peace in the area because the peoples cannot refuse the choice of peace if given an opportunity to express their will and if the seeds of fear and hatred are uprooted.

Prompted by a deep faith in the desire of the peoples to establish peace and their desire to replace violence, war and devastation with a civilized dialog to settle all differences, I embarked on my peace initiative. We continue to push the peace process forward with all sincerity and seriousness. We are determined to continue to follow the path of peace to save our peoples and the peoples of the world from the calamities of war and destruction. As long as there is hope that the peoples will win and that the voice of justice and moderation will rise above the voices of extremism and arrogance and above the whims of expansion, as long as the international family believes that world peace is indivisible and that international legitimacy is indivisible, and as long as every member of this family assumes his international responsibility to deter the expansionist whims, then peace will undoubtedly triumph and prosperity will be realized.

On the basis of this deep faith in the future of mankind, our efforts for economic and social development go side by side with our efforts to establish peace based on justice. Despite all the pressuring circumstances which have affected and are still affecting our economy, we have made significant progress in raising the rate of development and have adopted a policy of openness toward all members of the international family. We have done this on the basis of our belief that any progress in science and technology is the property of all mankind, that the progress and prosperity of mankind are indivisible and that this can only be realized through the joint efforts of all by closing the gap in civilization which separates the rich and advanced world from the developing world.

It is my belief that by committing ourselves to this line, we, as part of the African peoples, would be contributing to the great international human task of achieving man's progress, prosperity and dignity. This approach of ours totally coincides with the spirit of your great conference and its belief in the unity of the human race, in the unity of sciences and their universality and in the unity of world peace and prosperity.

Once more, dear brothers, we welcome you to the land of your African country, Egypt. We wish you a happy stay among us. I implore God to grant you success in your mission. God's peace and blessings be with you.

EGYPT CALLS FOR 12 SEP ARAB LEAGUE COUNCIL MEETING

NC242016Y Cairo Domestic Service in Arabic 2000 GMT 24 Aug 78 NC

[Text] Foreign Minister Muhammad Ibrahim Kamil has stated that the Arab Republic of Egypt today notified Sudan that it is of the opinion that the Arab League Council meeting should be convened in Cairo on 12 September at the foreign ministers level.

SHAH OF IRAN SENDS LETTER TO PRESIDENT AS-SADAT

NC241648Y Cairo MENA in Arabic 1449 GMT 24 Aug 78 NC

[Text] Cairo, 24 August--President Muhammad Anwar as-Sadat has received a letter from Shahanshah Mohammad Reza Pahlavi of Iran. The letter was delivered to Vice President Muhammad Husni Mubarak by Iranian Ambassador in Cairo 'Abbas Neyyeri when the ambassador was received by the vice president today.

MENA REPORTS PRC OFFICIAL TO VISIT CAIRO

NC221728Y Cairo MENA in Arabic 1659 GMT 22 Aug 78 NC

[Text] Cairo, 22 Aug--MENA has learned that the PRC has expressed its desire that Ulanfu, vice chairman of the PRC National People's Congress and prominent member of the Chinese Communist Party, visit Egypt within the context of bolstering relations between the two countries.

MENA has also learned that Egypt has welcomed this visit and that contacts are underway to fix a final date for the visit, which is expected to take place before the end of 1978.

NATIONAL DEMOCRATIC PARTY INVITED TO SOCIALIST INTERNATIONAL CONFERENCE

LD241818Y Cairo AL-AHRAM in Arabic 21 Aug 78 p 1 LD

[Text] The Secretariat of the European Socialist Parties has extended an invitation to the National Democratic Party to attend--as an observer member--the summit conference to be held by the Socialist International on 3 November in Vancouver, Canada, in order to discuss the outcome of the forthcoming Camp David conference and the efforts to achieve peace in the Middle East.

Leaders of the socialist parties had earlier decided to hold their conference, which will last 3 days.

AL-JUMHURIYAH ATTACKS STATES OPPOSING OIL PRICE INCREASE

JN241055Y Baghdad INA in Arabic 0850 GMT 24 Aug 78 JN

[Excerpt] Baghdad, 24 August--The newspaper AL-JUMHURIYAH says that the visualizations and expectations of those who opposed the oil price increase, in hopes of political gains in the so-called Middle East crisis and U.S. pressure on the Zionist entity, have proved to be wrong.

The paper adds that Begin will not budge from his contemptuous conditions or from the occupied Arab territories. Carter, the paper says, will not put any pressure on Tel Aviv. He has constantly asserted Washington's link to Tel Aviv and the U.S. commitment to Israel's security.

In its editorial entitled, "The Threefold Loss," AL-JUMHURIYAH today says that those who have frozen oil prices in the past have gravely harmed the economies of the oil-producing countries. They proceed in this from a well-known political position, though they support the freeze with economic reasons.

The paper explains that the OPEC countries are suffering losses due to continued inflation in the Western capitalist world. The OPEC countries are importing most of their goods from the developed industrial countries whose price increases reflect on the economies of the developing countries in general and on OPEC countries in particular.

The paper points out that the second loss comes from the deteriorating position of the dollar as the currency for pricing oil and from its shifting value in the money markets, which causes a fall in its purchasing power.

The paper says that the third loss comes from the set price of oil per barrel and the obstruction of any attempts to increase it.

OIL MINISTER CONCLUDES VISIT TO CZECHOSLOVAKIA

JN241034Y Baghdad INA in Arabic 0915 GMT 24 Aug 78 JN

[Text] Baghdad, 24 August--Tayih 'Abd al-Karim, Revolution Command Council member and oil minister, returned here last night following a visit of several days to Czechoslovakia.

While in Prague, 'Abd al-Karim met with Czechoslovak Premier Lubomir Strougal as well as with the ministers of foreign trade and heavy industry. The discussion during the meeting centered on bilateral relations and the means to develop them in the interest of the two friendly peoples. They also reviewed the Arab and international situation.

MEMO ON EMBASSY KILLING SUBMITTED TO TRIPOLI CONFERENCE

JN231912Y Baghdad INA in Arabic 1725 GMT 23 Aug 78 JN

[Text] Tripoli, 23 August--Iraq's representative to the permanent general secretariat of the Arab popular conference has called for exposing the immoral course against Iraq taken by the Palestinian reactionary and capitulationist leadership. This call is in a memorandum that was submitted to the permanent general secretariat here today by Iraqi representative Majid Ahmad. In it he explains the circumstances leading to last Wednesday's assassination of martyr Husayn Muhammad 'Ali, the Iraqi Embassy employee in Tripoli who was killed by an agent of the Palestinian reactionary leaderships.

Ahmad pointed out that this crime proves the failure of the method of treacherous assassinations as well as the bankruptcy of those who direct the assassinations. He added that Iraq is a member of the permanent general secretariat of the Arab popular conference and has taken principled and practical pan-Arab stands on the Palestinian issue. He called for a clear stand on this crime that will satisfy the Arab masses and their struggle aspirations.

SYRIAN REGIME APPOINTS AL-ASAD FAMILY TO KEY ARMY POSTS

JN241955Y Baghdad INA in Arabic 1914 GMT 24 Aug 78 JN

[Excerpts] Damascus, 24 August--The Voice of Arab Syria radio station revealed tonight that Hafiz al-Asad's regime continues to appoint members of the Al-Asad family to key positions in the Syrian Army, without taking into consideration public interest, specialization or competence. The radio reports that the ruling regime in Damascus has dismissed Brig Gen Eng Nazih Hamawi from his post as head of the air arms and ammunition department and given him the administrative post of chairman of the tenders, contracts and foreign relations committee.

Earlier, the Damascus regime pensioned off 200 officers for grumbling about the abnormal state of affairs prevailing in the Syrian Army and the armed forces in general.

SYRIA PUMPS BANKNOTES WITHOUT RESERVE INTO MARKET

JN231451Y Baghdad INA in English 1420 GMT 23 Aug 78 JN

[Text] Baghdad, 23 August--The Syrian central bank has pumped into the market 308 million Syrian lira without reserve.

Reporting this, the "Voice of Arab Syria" radio said the Al-Asad regime had taken such measures before in an attempt to seek temporary solutions for the worsening financial and economic conditions in Syria.

On the other hand, the London-based AL-'ARAB' newspaper said the Syrian Ministry of Economy ordered the lifting of all restrictions on the freedom of the transfer of currency and capital between the free zones in Syria. The newspaper says this decision would encourage smuggling.

LEBANESE PRESS NAMES SHAM'UN AS VISITOR TO ISRAEL

JN241810Y Baghdad Voice of the Masses in Arabic 1200 GMT 24 Aug 78 JN

[Text] Press reports today disclosed that the Lebanese personality who visited occupied Palestine and met with Begin was Camille Sham'un, leader of the National Liberal Party and head of the rightist Lebanese Front.

These reports assert that Sham'un left his residence in Al-Ashrafiyah on Tuesday night for the coastal Al-Karantina area, where his guards waited until 0500 hours on Wednesday. The reports point out that Sham'un was accompanied on his 7-hour visit by Musa Burnus, member of the Political Bureau of the rightist National Liberal Party.

The papers say that Sham'un's visit to occupied Palestine was connected with the security situation in Beirut, which became explosive yesterday following shooting in the eastern and western suburbs of the city.

AD-DUSTER PRAISES PRINCE FAHD'S STATEMENT ON CAMP DAVID

JN250900Y Amman Domestic Service in Arabic 0615 GMT 25 Aug 78 JN

[Press Review]

[Excerpts] Under the headline "Dots on the I's Prior to the Summit," the newspaper AD-DUSTER writes: It is certain that Washington will not be indiferrent to the significance of the recent statement by Saudi Crown Prince Fahd. In his statement Prince Fahd describes the Camp David conference as the last chance to establish peace in the Middle East.

The significance of Prince Fahd's statement is that it clearly indicates that what takes place at the Camp David summit concerns all the Arabs and not only the sides participating in it. This is evident in the fact that Saudi Arabia, though it is not participating in the summit, has warned against its failure and called upon the United States to play a crucial, decisive role at the conference so as to establish peace based on justice.

This statement is bound to dispel the illusions the Israeli side might have entertained that President as-Sadat will face the summit unarmed by any Arab support as a result of the dismemberment prevailing in the Arab arena. Prince Fahd's statement asserts that any Arab defending the Arab cause will never be left alone or unarmed. It goes without saying that this statement adds weight to the [Arab] cause at the tripartite summit and will enable the Egyptian president to face this summit with confidence.

MINISTER IBRAHIM RECEIVES MESSAGE FROM PDRY COUNTERPART

JN241453Y Amman JNA in Arabic 1426 GMT 24 Aug 78 JN

[Text] Amman, 24 August--Hasan Ibrahim, minister of state for foreign affairs, received in his office this morning Mr Mahmud 'Abdallah, envoy of the PDRY foreign minister. The envoy conveyed to Ibrahim a message from the Yemeni minister concerning the topics to be discussed at the coming Arab League Council meeting.

Mr 'Abdallah arrived in Amman last night.

PHALANGIST OFFICIAL BASHIR AL-JUMAYYIL LEAVES FOR PARIS

JN251105Y Baghdad INA in Arabic 0955 GMT 25 Aug 78 JN

[Text] Beirut, 25 August--Bashir al-Jumayyil, the official in charge of the military affairs in the Phalangist Party and commander of the rightist forces, left for Paris today on a week-long visit to France.

Well-informed sources here have said that Al-Jumayyil's visit has special significance.

VOL: PALESTINIANS, UN FORCE CLASH IN S. LEBANON

NC241154Y Voice of Lebanon [Clandestine] in Arabic to Lebanon 1115 GMT 24 Aug 78 NC

[Text] The Palestinian armed men and their communist allies in the south continue to infiltrate and provoke the UN emergency forces. A short while ago the Voice of Lebanon received a report from its correspondent in the south that the clashes were still in progress between the Norwegian forces and the Palestinian gunmen and that an unknown number of infiltrators have been wounded.

In another dispatch the Voice of Lebanon's correspondent said that contacts are under way to stop the clashes and get the infiltrators to withdraw.

AFP: Fatah Makes Arrests

TA241521Y Paris AFP in English 1515 GMT 24 Aug 78 TA

[Text] Beirut, 24 Aug (AFP)--Fatah, the largest component of the Palestine Liberation Organization, has arrested some members of the hard-line rejection front after clashes with United Nations peace-keeping troops in south Lebanon, it was learned here today.

Correspondents posted in the area quoted Palestinian sources as saying that the arrests followed clashes during the night of Tuesday to Wednesday between the rejectionists and Norwegian U.N. troops in the Suq al-Khan sector.

It was not immediately known how many fedayeen had been arrested.

Fatah officials meanwhile recalled that no member of the Palestinian movement was to open fire on U.N. forces under an agreement between Fatah and the U.N. Command.

INA: Israeli Overflight

JN241426Y Baghdad INA in Arabic 1415 GMT 24 Aug 78 JN

[Text] Beirut, 24 August--This afternoon enemy aircraft overflew the southern area, particularly the coastal town of Sidon, 35 kilometers south of Beirut. The INA correspondent in the south reports that the joint forces had taken all precautionary measures against a possible attack by the enemy. Some camps were evacuated and a state of alert was declared for the groups of the Palestinian revolution.

PAPERS PERCEIVE PLOT BEHIND SHAM'UN'S VISIT TO ISRAEL

JN250829Y Damascus Domestic Service in Arabic 0430 GMT 25 Aug 78 JN

[From the press review]

[Text] Under the headline "New Indications Precede Camp David Meeting," the newspaper ATH-THAWRAH writes in its editorial today: The Camp David meeting comes to coordinate U.S., Egyptian and Israeli stands toward several topics, in addition to discussing the details of the unilateral agreement between As-Sadat and Begin.

Certain events refute allegations of deep differences between the two. The conspiracy against Lebanon has become clear regarding sides, tools of implementation and aims of the plans. Camille Sham'un follows As-Sadat's steps by meeting with Begin. He does not even hesitate to announce Israel's support for his gangs in order to implement the division plan, despite the opposition of the Lebanese people, who--with wide support of various sectors, especially the Christian masses--consider unified Lebanon, with its Arab affiliation, the aim they will struggle to defend.

Camille Sham'un, like others who collude with the Zionist enemy, wants to affirm through his meeting with Begin that he is a party to a big plot which is aimed not only against Lebanon but also against the whole Arab homeland.

ATH-THAWRAH concludes by stressing that the national and pan-Arab forces in Lebanon, as well as in the Arab arena, must shoulder the burdensof their urgent tasks to firmly confront the agents who have begun to follow As-Sadat's steps publicly, not only by visiting occupied Jerusalem and meeting with Begin, but also by asking for Israel's support and openly expressing their antagonism to the people of Lebanon and the Arab nation.

On its third page, AL-BA'TH comments on the plotting of the Phalangist-Sham'unist gangs and their open cooperation with Israel. It says: The fast actions that are taking place in the region indicate that some sort of development will actually take place, perhaps before or during the Camp David conference. Camille Sham'un's meeting for the sixth time within a week with the Zionist leaders [as received], as well as the Zionists' confession that they have transported large quantities of heavy arms and ammunition [to the Phalangists and Sham'unists in Lebanon], in addition to the 4,000 Israelis who joined the Sham'unist and Phalangist gangs, not to mention the Israeli preparations--all these events support and even confirm the opinion that some development will take place in the region. It may take the form of an aggression against Syria via Lebanon and it may be an occurrence in Lebanon.

AL-BA'TH adds: We find events are accelerating in such a manner that the observer is almost unable to comprehend everything. But will the silent, hesitant Arabs remain observers? Or is it time they realized that danger will overtake them too?

SAUDI PAPER SAYS LEBANESE RIGHTWING READY TO SET UP REPUBLIC

JN250711Y Damascus Domestic Service in Arabic 0515 GMT 25 Aug 78 JN

[Text] Beirut--The Sham'unist and Phalangist gangs have adopted a secret decision to announce the so-called Republic of Free Lebanon. This comes as part of these gangs' plans for division [of Lebanon] and within the framework of their collusion with the Zionist enemy.

The Saudi newspaper AN-NADWAH yesterday quoted confidential Phalangist sources as saying that the Sham'unist and Phalangist gangs will appoint a president for this republic and will set up a government. Moreover, the Lebanese Front will act as a senate or parliament.

The paper added that this so-called Republic of Free Lebanon will conclude security agreements with the states that support it; namely, the racist Zionist military entity, in order to counter those forces opposing it. The paper further added that an agreement will be reached between the Sham'unist-Phalangist gangs and Israel to conclude 20-year security treaties for so-called joint defense. Contacts in this regard have ended.

It will be recalled that the agent Camille Sham'un met with Zionist Prime Minister Menahem Begin the day before yesterday in occupied Jerusalem. This was reported by the Chicago TRIBUNE newspaper. Sham'un has asked Begin for more support for the Sham'unist and Phalangist gangs so that they can continue implementation of their conspiratorial role and plans for sectarian division.

WALID JUNBLATT GRANTS INTERVIEW TO SYRIA'S TISHRIN

JN241158Y Damascus Domestic Service in Arabic 1115 GMT 24 Aug 78 JN

[Text] Walid Junblatt, leader of the Lebanese Progressive Socialist Party, has granted an interview to the newspaper TISHRIN. In the interview, Junblatt emphasized that there are special policy ties binding Lebanon to Syria. He added that the relations between the two countries must inevitably be special for an extremely significant reason; namely, common security. Syrian security is bound to the Lebanese security and vice versa.

ARMY COMBAT UNIT CARRIES OUT TACTICAL EXERCISE

JN231522Y Damascus Domestic Service in Arabic 1215 GMT 23 Aug 78 JN

[Text] On instructions given by President Hafiz al-Asad, commander in chief of the armed forces, one of our combat units today carried out a tactical exercise attended by Gen Mustafa Talas, deputy commander in chief and defense minister.

After General Talas had been briefed on the various stages of the exercise, the unit repulsed a sudden mock enemy attack in cooperation with other army units and the air force. The reserve units and [words indistinct] launched counterattacks with all kinds of antitank weapons on the enemy, who had penetrated deep into the defenses, and routed them.

At the end of this stage, Gen Mustafa Talas praised the fighters of the units which had taken part in the exercise for their good organization, vigilance, speed and accuracy in carrying out combat tasks. He also issued a directive on preserving the combat readiness and capability of our armed forces so that they remain the impenetrable shield guarding the territory and liberty of the homeland and thwarting the capitulationist solutions in the region, solutions that serve only the Zionist enemy.

MEDIA REPORTAGE, COMMENT ON CAMP DAVID CONTINUES

Begin Receives Recommendations

TA241235Y Jerusalem Domestic Service in Hebrew 1105 GMT 24 Aug 78 TA

[From the Midday Newsreel]

[Text] The prime minister received this morning in his office the recommendations and the report drawn up by the committee headed by Major General Tamir in connection with the Camp David summit. Shalom Qital, what is the nature of this document?

[Qital] This is a thick report--close to 100 pages. It comprises three major parts: the first part contains the documents on the peace talks between Israel and Egypt; all the documents since the talks began--Israel's peace proposal, Egypt's proposal for an Israeli withdrawal to the 1967 borders, all the formulations of the declaration of principles and, in general, miuntes of the talks held. All this for documentation. The second part includes proposals and recommendations for action, both immediately at Camp David and in the strategic realm--what Israel should aspire to in the course of the negotiations. The third part, as is customary in reports of this kind, contains various appendixes connected with the first two sections.

What is interesting is that there are no maps in this report. This can perhaps provide a hint as to the nature of the document. It contains recommendations but not in a concrete form such as maps. This report has no maps.

[Announcer] Did the prime minister hold a discussion after receiving the recommendations?

[Qital] Not so far. The prime minister received the report only this morning. Now the report is at the cabinet secretariat, and first of all the ministers must read, review and study it. Each minister comes at his leisure to the cabinet secretariat, reads the report, takes notes, analyzes things in preparation for the debate at the cabinet on Sunday. As is known, the debate will be the second in the seriers of discussions which began last week. Also, decisions will be made on Sunday concerning Camp David.

One ought to point out that the one who--as it is officially called--chaired and organized the work of the committee, which submitted its report today, was Maj Gen Avraham Tamir, the head of the IDF Headquarters Planning Branch. The other members of the committee were the prime minister's office director general, Dr Eliyahu Ben-Elisar, Foreign Ministry Legal Adviser Dr Me'ir Rosenne, and Director General of the Justic Ministry Me'ir Gabbay.

[Announcer] Thank you very much.

Labor Party Views

TA241505Y Jerusalem Domestic Service in Hebrew 1400 GMT 24 Aug 78 TA

[Text] The Labor Party reaction team stated today that Israel's representation at Camp David is not a subject for distribution of spoils among the coalition parties. This is a first-rate national matter which should be examined according to the functional needs involved in representing the issues on the agenda. The Labor Party also said that a government that has to get ready for such an important and perhaps a fatal conference is preoccupying itself instead in the question of who will travel--the DMC or the MAFDAL representative?

HA'AREZ Comments

TA241402Y Tel Aviv HA'AREZ in Hebrew 24 Aug 78 p 9 TA

[Dan Margalit commentary]

[Text] One does not have to be blessed with a prophetic sense in order to expect that at the Camp David conference Israel will be pressed to make a concession on the issue of the settlements. There is no issue on which the similarity between the U.S.-Egyptian positions is more outstanding than that of the opposition to the establishment of the settlements, and Anwar as-Sadat will not miss the opportunity to underline Israel's isolation, particularly as this issue is causing a severe domestic dispute in Israel.

Over the last year Israel missed the chance of reaching a temporary settlement with the United States on the question of the settlements. As far back as July 1977 the Carter administration put out feelers as to whether Prime Minister Menahem Begin would accept a partial deal in which he would give up the establishment of new settlements and, in return, Washington would close its eyes to the enlarging of the existing settlements. Begin replied in the negative. The cabinet wanted to cover the map with Israeli flags, with Hebrew names--points which are now regarded with reservation even by Likud MK's as being "ghost settlements."

It is not at all clear who really, over these weeks--on the eve of Camp David--has been angering the prime minister, who is troubled with the preparation of Israeli proposals combining the autonomy program with original innovations: Ari'el Sharon, who tried, in accordance with the decision of the ministerial Committee for Defense, to establish settlements in the dark; or Yiga'el Yadin, who complained about them; Me'ir Pa'il from Sheli, who published a question in which he told of exchanges of insults between paratroopers and settlers; or MK Ge'ula Kohen from the Herut faction, who claims that the cabinet is cheating itself in believing that it wishes to continue to establish settlements during the negotiations period.

The main impression is that the majority of the coalition would be interested in releasing the cabinet from its vows and commitments to establish new settlements during the period of discussions. The cabinet's autonomy program proposes that the next 5 years be declared a transition period in Judaea and Samaria. Even if the Arabs were inclined to agree to the proposal, is it possible to conceive that they would look on calmly at Israeli settlements springing up and being established on the disputed land during the transition period. They would demand freezing the demographic situation, to "photograph" the settlements map.

Can the cabinet agree to this? Would it reject the demand even if the Arabs were to accept the autonomy program as a basis for a political settlement? (And apparently there are Arab notables in Judaea and Samaria for whom the autonomy program appears to be the best of a bad job in comparison with the continuation of the Israeli military government.)

From the parliamentary aspect Foreign Minister Moshe Dayan gave the signal for the opening of the public debate on this issue. About 10 days ago Dayan, who has no faction of his own, agreed to appear before MK's from the Likud liberal faction. He repeated his view that the Jews have the right to buy land in Judaea and Samaria (but not to expropriate it) but that there is no need to actualize the historic link all the time and in any situation. The liberals took the hint. This is also their view.

A few days after this it was the liberal MK's who were the center of the main Likud criticism of Gush Emunim. Only a few places are kept for the liberals in the small group of the Likud faction's leadership. Four of them--Passah Grupper, Sara Doron, Moshe Miron and Avraham Sharir--spoke up to rebuke Gush Emunim to the effect that its demands to enlarge the "ghost settlements" now are making it difficult for the country on the eve of the Camp David conference. Some of the statements heard were most extremist--such as the threat to "crush" Gush Emunim--and bore witness to alienation between important branches of the Likud and the settlers.

What was also surprising was the position of the Herut faction. Gush Emunim had no reason to be encouraged by the statements made by representatives of this faction. Both Chairman Hayyim Corfu, who demonstrated icy coldness toward the Gush Emunim demands, and Ge'ula Kohen, who is disappointed at the cabinet's policy at being "stingy" on the settlements issue--drew one picture: Gush Emunim is now a burden on the cabinet.

From this aspect there was also political value to the ceremonial party held on Saturday evening in Begin's home to celebrate his 65th birthday. One of the veterans of the "Fighters' Family," Eliyahu Lenkin, promised Begin in the presence of EZEL [Irgun] veterans and Herut leaders that "we are behind you." If Begin comes to the conclusion that there is a need for flexibility, concessions, suspensions--he is promised the support of the "hard core" of the first of his faithful supporters. This means nothing else than that his consistent supporters felt that Begin is now in need of freedom of action and they gave him a blank check.

In this situation a sort of anomaly has been created within the Likud. The La'am faction, which is made up of those who left the Labor Movement and the Free Center, which was to have been the holder of the political balance in the Likud, has actually become the extremist element in the coalition cabinet. The MAFDAL, and, in its wake, the liberals, have begun to reexamine the political reality in the Middle East, while those in the coalition who came from the Labor Movement have become more dogmatic than their colleagues.

In the cabinet Yiga'el Horowitz and Eli'ezer Shostak vote in favor of the less moderate political proposal. In the faction's leadership debates MK Yig'al Kohen, more than most of his colleagues, demands that the settlements no longer be suspended. In the political sphere Moshe Shamir expresses the most aggressive positions. Basically, this division is possibly the most monolithic in the political sphere.

La'am will be the "right flank" in the coalition discussions toward the Camp David conference. The amount of its influence and the cooperation between it and the Herut loyalists will be important in determining the freedom of maneuver which will be given to Begin and his ministers on their departure for the meeting with President Carter and President as-Sadat at the beginning of next month.

LIKUD SETTLEMENTS DISCUSSION TO BE HELD AFTER CAMP DAVID

TA241952Y Jerusalem Domestic Television Service in Hebrew 1900 GMT 24 Aug 78 TA

[Text] The executive of the Likud faction has decided this evening that after the Camp David meeting it will hold a thorough discussion of the settlement issue and about extending practical aid to the Gush Emunim. The decision was unanimous. Correspondent Nahman Shay says that the urgent debate held by the Likud executive followed disagreement arising between the various factions regarding the attitude toward Gush Emunim in particular and the settlement issue in general.

'AL HAMISHMAR DISCUSSES SECRET PREPARATIONS FOR CAMP DAVID

TA241200Y Tel Aviv 'AL HAMISHMAR in Hebrew 24 Aug 78 p 1 TA

[By Dalya Shehori]

[Excerpt] Prime Minister Menahem Begin and Foreign Minister Moshe Dayan are likely to prepare formulations which they will take with them to Camp David. These they will not present to the cabinet for fear of leaks, but will put them forward in the United States if the need arises.

The reference is mainly to a softening in the cabinet's position on the issue of the withdrawal from the West Bank. It appears that there is an understanding between the prime minister and the foreign minister that they will not be able to maintain the position they have taken to date--a refusal for territorial compromise in the West Bank--without taking the risk of having Israel accused of intransigence and causing the conference to fail.

The public rejection of a partial or a separate agreement by President as-Sadat has demonstrated even more strongly that Israel--despite its reluctance--will have to adopt a more acceptable position on the issue of the joint declaration of principles. One of the problems which has prevented agreement on a declaration of principles was the cabinet position which rejects a withdrawal in the West Bank.

In reaction to the U.S. demand that Israel declare its acceptance of the "withdrawal clause" in UN Resolution 242 ("withdrawal from territories conquered in 1967"), Israel has to date declared a willingness to discuss every issue put forward in negotiations with any of its neighbors, including Jordan.

The formulation now being considered is a willingness to discuss withdrawal--if such a demand is put forward--"on all the sectors," including Judaea and Samaria. This formulation will speak of a willingness to "discuss" withdrawal and not a willingness for withdrawal; and the fact that it will refer to withdrawal in the context of the West Bank will be something new from the aspect of the Begin cabinet's positions.

It will be pointed out that substantively there is no difference between the formulation "willingness to discuss withdrawal in all sectors" and the formulation the cabinet has already accepted regarding willingness to discuss a "concrete proposal for a peace treaty based on territorial compromise, if such a proposal is received." However, the new formulation, if it is put forward, will be more specific and its proposers will regard it as an appreciable advance toward the positions of the United States and Egypt.

JEWISH AGENCY SETTLEMENT DIRECTOR ON PALESTINIAN STATE

TA250636Y Jerusalem Domestic Service in Hebrew 0500 GMT 25 Aug 78 TA

[Text] The head of the Settlement Division at the Jewish Agency, Prof R[illegible]'anan Weitz, supports the possibility of establishing a Palestinian state in Judaea, Samaria and Gaza after 5 years of self-rule, on the condition that the Arabs recognize Israel's right to set up a buffer area comprising dense settlements along the Jordan River Valley and in the Yamit district.

Correspondent Shim'on Schiffer says that in a document which he will today send the prime minister and the ministers leaving for Camp David, Weitz writes that the Arabs' demand for recognition of the Palestinians' right of self-determination is to them something which must be carried out unconditionally. He adds that Israel must accept this if the Arabs recognize our right to settle in the Jordan River Valley and in the Yamit district.

Weitz does not think that there is need to fear a Palestinian country if there is settlement in the Jordan River Valley. If this is carried out, such a state could not provide a base for sudden attacks on Israel.

Speaking to our correspondent, Weitz said that the settlement activity currently underway in Judaea and Samaria is not an enterprise but only a collection of episodes.

Our correspondent reports that regional plans for settlement in the Golan, Galilee, Jordan River Valley, Negev, 'Arava and Yamit district have been completed by the Jewish Agency's Settlement Division. However, no plans for settlement in Judaea and Samaria were drawn up, because the heads of the Settlement Division think that this area must not be settled and that it should serve as a Palestinian state.

According to the plan, an additional 17 settlements--from Mehola in the north to Qalya in the south--should be added in the Jordan River Valley.

Settlement Director Criticized

TA250830Y Jerusalem Domestic Service in Hebrew 0800 GMT 25 Aug 78 TA

[Text] The chairman of the Jewish Agency Directorate, Arye Dulzin, has said that Professor Weitz was not authorized to make statements on behalf of the agency's Settlement Division; he could only express his personal views. Dulzin also said that the settlement policy is not the Jewish Agency's affair, but that it is determined by the cabinet. Mr Dulzin was talking with correspondent Alan Ben-'Ami.

Matityahu Drobles, who--together with Prof Ra'anan Weitz--heads the Jewish Agency's Settlement Division, this morning ordered the director of the overall planning branch of the Jewish Agency, Ze'ev Unger, to draw up a settlement plan for Judaea and Samaria. He reported this in reaction to Professor Weitz's announcement that the settlement division had not prepared settlement plan for Judaea and Samaria because the area is to be a Palestinian state.

Drobles rejected Weitz's words and said that it is necessary to hold on to all Eretz Yisra'el districts, including Judaea and Samaria. The Settlement Division, he said, has plans to strengthen and increase the existing settlements.

As for Weitz's argument that the settlements which have been established would constitute only historical episodes and would not be real enterprises, Drobles said that yesterday he toured Judaea and Samaria and found the settlements to be strong and steadfast.

Professor Weitz says that for the Arabs, Judaea and Samaria are something which they would die for rather than give them up, and that we should not fear a Palestinian state being established in that territory, on condition that there be dense Jewish population in the Jordan River Valley.

DMC SPLIT TO TAKE EFFECT ON 14 SEPTEMBER

TA241322Y Tel Aviv HA'AREZ in Hebrew 24 Aug 78 p 2 TA

[By Dan Margalit]

[Excerpt] The secret section in the DMC split agreement determines that it will take effect as of 14 September. This time is intended to permit ministers who are hestiating, mainly Me'ir 'Amit and MK David Golomb, to decide their positions after the end of the Camp David conference.

The split agreement--only part of which was released to journalists--determined that the DMC funds will be divided proportionately according to the size of the Democratic and Shinui factions. This is to avoid the problem caused by the fact that the law leaves all the funds in the hands of the majority. In talks between the two factions it was said that if the state comptroller determines that there is no legal way to give the majority faction the proportion due to it--the majority faction will receive the entire amount and will finance proportionally the activities of the minority.

YADIN ADDRESSES DMC COUNCIL CONVENTION

TA241824Y Jerusalem Domestic Service in Hebrew 1800 GMT 24 Aug 78 TA

[Text] The convention of the members of the DMC council is now being held in Tel Aviv. Correspondent Asher Schwartz says that up to the time of this report 61 members of the council, which numbers 135, have turned up.

Yiga'el Yadin said that the council convening this evening is the founding council of the Democratic Movement. He charged the members of the Shinui group with trying to split the movement and withdraw from the government. Yadin called on all DMC members absent from this evening's convention to remain in the movement and to give a hand to the establishment of the new movement. He first called on Minister Me'ir 'Amit, saying that as far as he knows 'Amit sincerely wanted to prevent the split in the DMC.

Yadin To Head Democratic Movement

TA242018Y Jerusalem Domestic Service in Hebrew 2000 GMT 24 Aug 78 TA

[Text] Yiga'el Yadin was elected this evening as chairman of the secretariat of the Democratic Movement. Yehuda Toledano was elected as chairman of the council presidium. About 60 of the members of the original council attended the convention of the DMC council called by Yadin.

The deputy prime minister declared that this convention is a founding council of the Democratic Movement. He accused the members of the Shinui group of being responsible for the split in the DMC. Yadin proposed that the institutions of the new movement be temporary and that the council reconvene to finalize the election of the institutions.

Correspondent Asher Schwartz says that the aim of this proposal is to leave the door open for personages such as Me'ir 'Amit, who did not attend this evening's convention, so that they can be integrated into the institutions of the Democratic Movement if and when they join.

WEIZMAN COMMENTS ON SECURE PEACE, RESERVISTS' LETTER

TA241743Y Jerusalem Domestic Service in Hebrew 1700 GMT 24 Aug 78 TA

[Text] Defense Minister 'Ezer Weizman said that we find ourselves now in a strong political offensive and hope that it carries a blessing with it, but we are still apprehensive of the dangers possibly inherent in it. The United States and the Soviet Union are in a state of peace, the defense minister said, but despite this, the United States still maintains an army in Europe, the Sixth Fleet in the Mediterranean and early warning stations in the far north. 'Ezer Weizman was speaking at the graduation ceremony at the IDF school for command and headquarters.

Addressing the graduates, Weizman said that it should be made clear to the IDF soldiers that there is only one sovereign government in Israel and that the soldiers both in regular and reserve service should know that only the government's decisions will be carried out. The defense minister was referring to the letter of the reserve officers who put restrictions on their readiness to serve anywhere and in any post.

HA'AREZ DISCUSSES ARAB SECTOR DISPUTES

TA2417l6Y Tel Aviv HA'AREZ in Hebrew 24 Aug 78 p 10 TA

['Atallah Mansur commentary]

[Text] The first shot in the municipal election campaign in the Arab sector was fired from the United States. For the first time since the founding of the state, an Arab body abroad decided to try to openly appeal to and influence events among the Arab minority in Israel.

A group of nine Arab-Palestinian academicians living in the United States has appealed to dozens of groups and individuals, Jews and Arabs, who are known for their anti-Zionist positions, in an effort to influence them to found a united "anti-Zionist front" with the participation of RAKAH, Mazpen (with its various offshoots), the Arab Student Committees and the Abna al-Balad ("Sons of the Village") Movement, which is extremist-nationalistic and is active among several Arab concentrations in Galilee and the Triangle. They also appealed to several "independent" Jews and Arabs who are well known for their anti-Zionist views.

Heading the signatories on the appeal is Dr Hisham Sharabi, the chairman of the National Association of Arab Americans--the Arab lobby in the United States. Among the authors of the appeal are three former Israeli citizens who aspire to putting an end to the endless dispute in the Arab sector between the members of RAKAH and the nationalist groups (the former followers of Abd an-Nasir, who who had belonged to the (Al-Ard) group or the founders of Al-Balad and the radical and anti-Zionist and anticommunist student groups). In the Jewish sector they are hoping to strengthen the ranks of the RAKAH followers and its partners of not so long ago, the Black Panthers, and the Mazpen offshoots, through reaching a cease-fire agreement among themselves.

Most of those who received the appeal, apart from the members of RAKAH, regarded it as a compliment, since--apart from RAKAH--they have no international connections, no representation in the Knesset or in the rule and the local authorities of Umm al-Fahh and At-Taiyibah and several other small villages, but they have not attained real influence over the rule. [sentence as published] The academician's proposal made them aware, and gave them hope, that they could take part in a front which today appears to have a reasonable chance of taking control over most of the Arab concentrations in Israel.

However, the members of RAKAH, the dominant partner in the "Democratic Front for Peace and Equality," are not showing any tendency toward giving up. On the contrary, they know that the partnership they established in the last Knesset election (with the academicians and the businessmen) permitted them to become an actual ruling party and the main representative of the Arab minority in Israel.

Their partners, traditional notables and the disappointed labor activists, did not even act as a united opposition within the "front" and they were far from presenting a coordinated or agreed social ideology or working program. The RAKAH people put pressure on them, flattered them or abandoned some of their partners with the clear aim of controlling their party members or loyalists. The RAKAH people were warned by the very fact of the intervention from abroad and at first they tried to ignore the whole thing. They did not publish the contents of the appeal and they did not refer to it until their rivals decided to make their united stance public.

They did this in the East Jerusalem newspapers and in several of the Hebrew newspapers and this aroused the anger of the RAKAH people. The editor of their newspaper AL-ITTIHAD, Dr Emil Tuma ("Ibn Khaldun"), came out with a provocative article against the authors of the appeal "who sow slogans and ignore the facts," but when the nationalist groups began to collect signatures on a petition supporting the plan to found "the anti-Zionist front" without "committing oneself to details," the anger of RAKAH at the initiative reached unprecedented proportions.

The deputy editor of their organ, Ibrahim (Malek), accused RAKAH's anti-Zionist rivals of spreading "rejectionist front" slogans harmful to the PLO and added that these groups were "isolationists, adventurers, rightists, shortsighted and that they are unknowns with the sole wish of harming the nationalist democratic movement." A RAKAH member declared that his party rejected the call to cooperate with such groups.

A RAKAH member also got into a dispute with the Arab academicians from the United States over the fact that they put all the blame for the absence of a just peace and all the suffering in Israel on Zionism. He asserted that there is an "unclean trio" of which Zionism is only one of the components, and expressed the suspicion that the U.S. Arabs fear U.S. imperialism and the Arab reaction which were no less responsible for the blunders than the Zionist movement, and so they did not blame them.

(Malek) asserts that RAKAH's anti-Zionist rivals "ignore the rights of the members of RAKAH as pioneers of the daily and national struggle against all forms of repression and racial discrimination." Therefore, their call for a unification of forces is no more than a mindless slogan. He claims that his party is not opposed to the founding of a nationalist Arab party in Israel and warns that the U.S. Arab initiative is intended to lay the foundations for a "Palestinian Arab" basis in Israel a la rejectionist front, in order to push RAKAH out and prove that its political programs are identical with the PLO platform.

The RAKAH members claim that the "front exists and there is no need for another front, and that nobody needs the marginal groups of Mazpen and the Arab Student Committees." Their rivals, the spokesmen of the other side, are so far keeping quiet and contenting themselves with signing their petition. They claim that RAKAH prefers the "cooperators" from the Labor Party such as (Tarq 'Abd al-Hay) (the head of the At-Tira regional council) to representatives of the students and young academics.

According to the RAKAH members, the heads of councils and the former Labor Party members are "returning with the answer they have learned from experience" and, in contrast to them, the student activists are being led into trends of adventurousness and hatred of communism. Before the end of August RAKAH's radical rivals will appear in public and this will reveal the dimensions of their electoral basis and their organizational strength. But it is possible already to determine that the "anti-Zionist front" will take part in the election in half a dozen settlements at least and apparently also in Nazareth, and this is the source of RAKAH's main concern.

This does not mean that the "anti-Zionist front's" representatives have any chance of overthrowing the RAKAH candidates. This does not seem conceivable today, just as there is no chance on the horizon for any other candidate to do this, for the simple reason that all the other candidates are the old ones who failed in the previous elections and have been forgotten during 13 years in opposition. [paragraph continues]

The mayor, MK Tawfiq Zayyad, who gained 67 percent of all the votes in the last election, knows that the number of electors voting for him this time will drop, but it seems that there is an almost general feeling that he will return to the mayorality if the "Democratic Front of Nazareth," which is made up of 14 people (four from RAKAH, four representing academicians, four for the businessmen and two for the students), decides to put him up again as their candidate.

Even if they decide on someone else, the "front's" machine will be able to advance his election to the mayorality. But it appears that there is also general agreement on the supposition that the "front" will no longer hold the decisive majority of 11 of the 17 members of the municipal council. That is, it may be that the next mayor of Nazareth will not be able to control the municipal council so fully, and so the RAKAH members fear the loss of their complete control over Nazareth because of the appearance of their "anti-Zionist" rivals and the tactics of the two alinement factions, to return to the arena as three organizational lists, neighborly and mutual, in order to cause a split in the voting and the mayor's loss of his majority.

A senior and experienced activist in the municipal elections campaigns warned me: "At this stage it appears that the same candidates from 3 years ago are returning for a second round. But this is an illusion. This year the Nazareth inhabitants have lost their illusions regarding the magic strength of RAKAH and its allies. This time a real election campaign is to be expected."

JUDAEA, SAMARIA MAYORS WANT PALESTINIAN STATE

TA250645Y Jerusalem Domestic Service in Hebrew 0500 GMT 25 Aug 78 TA

[Text] Judaea and Samaria mayors have published a manifesto in which they express opposition to the implementation of self-rule in the territories and declare their support for a soverign Palestinian state headed by the PLO.

The manifesto was published following the establishment of two institutions which were set up in the area--one in Hebron and one in Nabulus. The two institutions are the Hebron District Villages Committee, set up to handle farmers' affairs, and the Nabulus Social Club, which handles social affairs.

The Judaea and Samaria mayors say that the two institutions are a step toward implementing self-rule.

RADIO QUOTES LEBANESE DENIAL OF SHAM'UN VISIT

TA241314Y Jerusalem Domestic Service in Hebrew 1300 GMT 24 Aug 78 TA

[Text] In Beirut, the spokesmen of two of the Christians' leaders denied today rumors alleging that one of them met with Prime Minister Menahem Begin in Israel. A spokesman for former President Camille Sham'un said that Sham'un did not visit Israel and that the report was groundless.

A spokesman on behalf of the Phalangists leader Bashir al-Jumayyil also denied the report.

In Tel Aviv, the prime minister today refused to comment on our correspondent's question on that matter.

EGYPT, ISRAEL HOLD INDIRECT BUSINESS CONTACTS IN PARIS

TA2411127Y Tel Aviv MA'ARIV in Hebrew 24 Aug 78 p 16 TA

[By Tamar Golan]

[Text] Paris--Israeli companies and members of an Egyptian authority have held contacts in Paris via French businessmen. This was reported yesterday by reliable sources in Paris, validating the report published this week by the German paper FRANKFURTER ALLGEMEINE.

According to these sources, the idea was raised during President as-Sadat's visit to Paris 4 months ago, but the present contacts were only in the nature of "first feelers."

The representative of a large company in Israel which maintains an office in Paris told the MA'ARIV correspondent that "following President as-Sadat's visit to Israel we began a series of contacts to check out possibilities for cooperation with Egypt." According to him, there have been no direct meetings between Israelis and Egyptians, since the Egyptian businessmen and representatives of economic affairs claim that it is necessary to wait for developments in the political negotiations. "We let Egypt know that we are also prepared to check out possibilities for cooperation in unusual ways," the source said. He refused to go into detail, but it appears that he meant via foreign companies or Israeli subsidiaries.

DAVAR ON PROSPECTS OF SELLING PRODUCTS TO PRC

TA2411005Y Tel Aviv DAVAR in Hebrew 24 Aug 78 p 2 TA

[By David Lifkin]

[Text] There are good prospects that Romania will serve as a "channel" for the sale of Israeli products to China. This evaluation is prevalent in commercial circles which are following the development of trade relations between China and Romania. There is a reasonable possibility that the Romanians will be prepared to act as agents in commercial deals.

Recently there have been hints from Chinese circles which have an interest in procuring certain Israeli products within the framework of their attempts to speed up China's industrialization. But, because of the nonexistence of diplomatic relations, they would be prepared to do business via a third party. Commercial circles think that if the Chinese activity in Romania increases, Romania would become a convenient country for carrying out commercial deals with the Chinese, with the goods being transferred via that country.

MK Gad Ya'aqobi, who toured the Far East not long ago, had also discovered that there were prospects for developing commercial relations with China. It was made plain to him that at the first stage the relations would have to be developed via companies which would be established for this purpose in a number of Far Eastern countries, with the participation of local and Israeli elements. These companies would be able to carry out the deals.

In MK Ya'aqobi's view, there is a great potential for developing Israeli exports to China via companies in the Far East. He reported on his findings to Foreign Minister Moshe Dayan and to Israeli businessmen active in the Far East.

The latest development of the signing of economic agreements between China and Romania in fact makes Romania an important source of supplies for China. The Israeli activity which has already been developed in this country, commercial elements point out, can be a basis for links with the Chinese, either directly or via Romanian elements.

BRUSSELS REPORTS ON SHAH'S FRENCH RADIO INTERVIEW

LD231110Y Brussels Domestic Service in French 1000 GMT 23 Aug 78 LD

[Text] I am the only person with the power, strength and authority to introduce a democratic regime. Any person other than me would be completely overtaken by events; It would be total anarchy. That is the opinion of the shah of Iran in an interview he gave this morning to a French commercial radio station.

Replying to a question about the Iranian secret police [SAVAK], the shah replied: We have completely changed the face of SAVAK. He added: A large number of incidents have happened because people have had enough. That doesn't mean I shall change my methods. The policy we have undertaken will continue. In any case, we have freed over half our political prisoners, and we would have released more had they expressed the least regret.

OPPOSITION SPOKESMAN: ABADAN BLAZE WAS 'REICHSTAG FIRE'

LD250911Y Milan CORRIERE DELLA SERA in Italian 22 Aug 78 p 1 LD

[Renato Reffaro interview in Tehran with Iranian National Front spokesman Karim Sanjabi: "Terrible Blaze in Abadan movie theater 'like the burning of the Reichstag' says Mossadeq's political heir"--date not specified]

[Excerpts] Tehran--Bulldozers yesterday buried the charred corpses of the 377 men, women and children who perished in the Abadan movie theater blaze in a hugh common grave. While the opposition continues to deny any responsibility for the ghastly attack, government newspapers point out that since the beginning of 1977 Moslem extremists have attacked 29 movie theaters as well as a number of hotels and resutaurants.

The attack has caused widespread horror in Iran. The press is calling for "immediate measures against the nation's enemies." The shah's adversaries, on the other hand, are talking about a "monstruous machination." Karim Sanjabi, leader of the National Front, the group which unites the representatives of liberal opposition, told us: "It is like the burning of the Reichstag, which the Nazis organized to get rid of their enemies. The country has dark times ahead."

The front's spokesman, whom the papers portray as a subversive paid by the Soviets but who remains free in order, he maintains, "to allow the emperor to pretend to be tolerant and democratic," is the political heir of Mossadeq, the progressive premier who nationalized oil in 1951 and exiled the shah in 1953. At that time he was Mossadeq's public education minister. According to well-informed sources, Sanjabi and his movement apparently enjoy sympathy in Western capitals. The Americans apparently consider the front a possible side bet in the event the current regime is overthrown in a civil war. According to the same sources the impunity which Sanjabi and his comrades have enjoyed for the past year was President Carter's wish.

Mossadeq's former minister says: "It is only recently that they have begun to leave me in peace. Following the overthrow of Mossadeq and the shah's return I spent 18 months in hiding and then I was captured. I was arrested four times and altogether spent 3 years in jail, always without trial and uncharged. For the past year I have been able to speak again, though only with foreign journalists."

[Question] Who makes up the National Front?

[Answer] It is composed of liberals, traders, intellectuals and students, who want three things: Real independence, democracy and a human form of socialism. We are not Marxists, and in Europe we would be described as social democrats.

[Question] What is your opinion of the shah's liberalization programs?

[Answer] Fairy tales.

[Question] If you were in government, would you retain the monarchy and could you coexist with the shah?

[Answer] The institutional form is unimportant--what counts is the content. As for Reza Pahlavi, no agreement is possible between us.

[Question] What is it that you cannot forgive him?

[Answer] The persecutions which we suffered. We do not forgive him for ruining the country and selling its wealth cheaply. The emperor's agrarian reform has failed; our non-oil exports are laughable. His industrial policy has failed; what has been achieved is not extricating us from underdevelopment. Ours is purely an assembly economy: We put together machinery and products invented elsewhere. But the biggest disaster is the oil policy, of which the regime in fact boasts. They say that our national income has made an impressive leap forward, but income is something which reproduces itself, while in some 15 years the oil will be exhausted and we will not have managed to create any equivalent source of wealth. We are whittling away not our income but our capital. We have not even managed to control the crude extraction rate, which is dependent not on Iran's needs but on those of our customers, so that we have found ourselves laden with mountains of dollars which we are not in a position to invest. This money has ended up in the pockets of speculators, dishonest people and arms traders.

[Question] What are your relations with the Marxist leftwing groups like?

[Answer] As democrats, we also advocate the right to expression and political representation for them. But we cannot cooperate with anyone tied to foreign powers.

[Question] And what about the Moslem extremists?

[Answer] Some 90 percent of the Iranian population consists of practicing Moslems. The Shi'ite religion is part of our cultural baggage. According to the government, the mullahs are rightwing extremists, but that is crude propaganda. The people know that the priests are demanding, on the contrary, respect for law, civil freedom and social justice, all of which are principles contained in the Koran.

[Question] What do you forecast for the next few months?

[Answer] The people are tired of this regime and no longer accept the injustice. The agitation will continue.

INDIA

DESAI ON U.S., SOVIET RECONNAISSANCE SATELLITES

BK241050Y Delhi General Overseas Service in English 1000 GMT 24 Aug 78 BK

[Text] The prime minister told parliament today that both the Soviet Union and the United States had satellites in orbit around the time of India's first nuclear explosion in Pokhran in 1974. Mr Desai said these satellites, whose characteristics were those of reconnaissance type of spacecraft, are part of the series which both the countries use for obtaining information. Such a spacecraft can collect relevant data but may not affect the security of the country.

VAJPAYEE TO RAISE BORDER ISSUE WITH PRC DURING VISIT

BK241547Y Delhi ISI in English 1444 GMT 24 Aug 78 BK

[Text] Replying to a question in the Lok Sabha on August 24 by Hari Vishnu Kamath whether any communication has been sent to or received from the Chinese Government on the subject of resolving the India-China boundary dispute through direct peaceful negotiations; if so, the details thereof, whether any date and venue have been set for negotiations between the two governments, or in the alternative, for preliminary talks on the issue; and if the answer be in the negative, the present position with regard to the solution of the boundary dispute, Minister of External Affairs Atal Bihari Vajpayee said:

While no exchanges have taken place in recent years between the two governments on this subject, it is my hope to discuss this and other bilateral problems during my forthcoming visit to China as part of our efforts to improve bilateral relations with China.

ESCAP CONFERENCE CONCLUDES IN NEW DELHI 23 AUGUST

BK230906Y Delhi Domestic Service in English 0830 GMT 23 Aug 78 BK

[Text] The 3-day ministerial conference on trade cooperation between the ESCAP countries ended in New Delhi this afternoon. The final report adopted by the conference emphasizes the urgent need for a program for inter-regional trade expansion and cooperation. For achieving this, the report incorporates the action program suggested by the officials meeting. One of the main features of the program is the establishment of a trade co-operation group. This group will serve as a forum to consider how to give effect to the measures for promoting trade relations between the countries of Asia and the Pacific.

The report also recognizes that the action program will further promote the objectives of the establishment of a new international economic order.

SRV RADIO-TV DELEGATION ARRIVES FOR VISIT

BK240948Y Delhi Domestic Service in English 0830 GMT 24 Aug 78 BK

[Text] A delegation from the Socialist Republic of Vietnam has arrived in New Delhi. It is being led by Mr Tran Lam, chairman of the State Committee for Radio and Television.

The delegation called on the secretary, Ministry of Information and Broadcasting, Mr S.K. Sehgal, this morning and had discussions with the director general of All-India Radio and Doordarshan [television]. The delegation will explore arrangements for the exchange of radio and TV programs between the two countries.

PAKISTAN

NEW LAW ALLOWS RESTRICTED POLITICAL ACTIVITIES

BK241356Y Karachi Domestic Service in English 1300 GMT 24 Aug 78 BK

[Text] Restricted political activity has been allowed under Martial Law Regulation No 29, promulgated today. It amends Martial Law Regulation No 23 and its (?four) subparagraphs and paragraphs. The amended martial law regulation provides that a political party may hold closed-door meetings of its executive committees or otherwise in any place except in any educational institution, places of public entertainment, worship or religious sanctity. [Words indistinct] closed-door news conference or give interviews to the press within the limits of the prescribed place.

It provides that a member of a political party may individually approach any other person for the purpose of enlisting such person in party rolls and for canvassing. Martial Law Regulations Nos 11, 19, 22, 24 and 25 have been canceled. But their cancellation shall not affect their previous operation; and anything done, action taken, obligation, liability, (?tenancy) or punishment incurred or proceedings against shall be deemed to have been promptly and (?hurriedly) done, taken, incurred or (?commenced).

The martial law regulation is in pursuance of the CMLA's [chief martial law administrator] news conference yesterday allowing restricted political activity in the country from today.

AFP: PAKISTAN PEOPLE'S PARTY OFFICIAL SCORES NEW CABINET

OW242329Y Paris AFP in English 2242 GMT 24 Aug 78 OW

[Text] Karachi, Aug 24 (AFP)--A leading figure of former Prime Minister Zulfiqar Ali Bhutto's Pakistan People's Party tonight criticised the newly-formed all-civilian cabinet of General Ziaul Haq as undemocratic and called for nationwide general elections before the end of the year.

Addressing a press conference immediately after resumption of restricted political activities in the country, Ghulam Mustafa Jatoi, a former chief minister of Sind Province and close lieutenant of Mr Bhutto, said there was no reason why the general elections should be delayed till October next year as indicated by the chief martial law administrator at his press conference yesterday.

Mr Jatoi added that the elections could easily be held by November or December this year. He said the present government of civilian ministers was not a representative government because it did not have a mandate from the people and because the military council was still the supreme body.

Mr Jatoi said the central Executive Committee of the Pakistan People's Party would meet in Islamabad on Monday to discuss the political situation in the country.

Meanwhile, sixteen industrial labourers have been arrested in Larkana, Mr Bhutto's hometown, for taking part in a hunger strike to press their demands for better wages, it was reported here today.

FINANCE MINISTER DISCUSSES SOVIET AID

BK251036Y Karachi Overseas Service in English 0030 GMT 25 Aug 78 BK

[Text] The federal minister for finance and planning, Mr Ghulam Ishaq Khan, has said there are prospects for building new economic projects in Pakistan with Soviet assistance. In an interview with TASS, he said Pakistan had quite a long period of collaboration with the Soviet Union in the search for oil and gas. When the resources would be available to finance our part of the contribution to Pakistan-Soviet cooperation in this field, he added, we certainly would avail ourselves of the Soviet assistance.

The minister said the Karachi steel mill would be economically viable once put into operation. On completion the project would open a new vista of industrial development in Pakistan. He highlighted the importance of the Karachi steel mill for the economic growth of the country and said it will enable Pakistan to enter into the field of machine building and the development of heavy industry.

BRIEFS

BANGLADESH-IRAQ TRADE AGREEMENT--Bangladesh and Iraq have signed a document in Dacca envisaging an increase in the existing volume of trade between the two countries. The document was signed by the visiting director general of Iraq's foreign economic relations, Mr Faruq Daud, and the joint secretary of the Bangladesh Ministry of Commerce, Mr A.K.M. Aminul Haq, on behalf of their respective governments. The signing of the agreement followed successful conclusion of trade talks between the Bangladesh officials and the members of the Iraqi trade delegation. The new agreement also provides for identifying a number of new items for export and import between the two countries. [Dacca Overseas Service in English 1230 GMT 18 Aug 78 BK]

INDIAN IRON ORE TO ROMANIA--Negotiations are on to export 2.5 million tons of iron ore to Romania. This was stated by Minister for Steel and Mines Biju Patnaik at a meeting of a parliamentary consultative committee of his ministry in New Delhi. He said exports will be a significant breakthrough in finding markets for Indian iron ore. About the domestic demand for steel, he said it has picked up this year because of the spurt in building activity. Mr Patnaik said steel supplies to small-scale units through the state small industries corporations in 1978 will be more than double what it was in 1977. [Delhi Domestic Service in English 0240 GMT 22 Aug 78 BK]

NEW MAHARASHTRA PARTY--In Maharashtra, nine rebel Congress-I members of the state assembly, including two ministers, have formed a new party called the Vidharba Congress. The housing minister announced this at a news conference in Nagpur on 19 August. These members had left the Congress-I and joined the Progressive Democratic Front Ministry of Maharashtra. [Delhi Domestic Service in English 1530 GMT 19 Aug 78 BK]

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